

**KUVEYT TRK KATILIM BANKASI A.Ő.  
REVIEW REPORT, FINANCIAL  
STATEMENTS AND NOTES TO THE FINANCIAL  
STATEMENTS FOR THE INTERIM ACCOUNTING  
PERIOD ENDED 30 SEPTEMBER 2024**

**(CONVENIENCE TRANSLATION OF FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES AND  
NOTES ORIGINALLY ISSUED IN TURKISH)**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**To the General Assembly of Kuveyt Türk Katılım Bankası A.Ş.**

*Introduction*

We have reviewed the balance sheet of Kuveyt Türk Katılım Bankası A.Ş. ("the Bank") at 30 September 2024 and the related statement of income, statement of income and expense items recognized in equity, statement of changes in shareholders' equity, statement of cash flows and a summary of significant accounting policies and other explanatory notes to the financial statements for the nine-month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information do not present fairly in all material respects the financial position as of 30 September 2024, and its financial performance and cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

*Other Matter*

The independent audit of the unconsolidated financial statements of the Bank for the year ended 31 December 2023 and the review of the consolidated financial information for the nine-month interim period ended 30 September 2024 have been performed by another independent auditor who expressed a qualified opinion and an unqualified conclusion in the independent auditor's report dated 15 February 2024 and the review report dated 13 November 2023, respectively.

*Report on Other Regulatory Requirements Arising from Legislation*

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in section seven, is not consistent with the reviewed financial statements and disclosures in all material respects.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Sunay Anıktar  
Partner

İstanbul, 14 November 2024

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT ORIGINALLY ISSUED IN  
TURKISH**

**THE NINE-MONTH AUDIT REPORT OF  
KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ  
AS OF 30 SEPTEMBER 2024**

The Bank's Address of Headquarter : Büyükdere Cad. No:129/1 34394 Esentepe-Şişli / İSTANBUL  
The Bank's Telephone and Fax : 0212 354 11 11 - 0212 354 12 12  
The Bank's Web Site : [www.kuveytturk.com.tr](http://www.kuveytturk.com.tr)  
E-Mail Address for Contact : kuveytturk@kuveytturk.com.tr

The financial report for the nine-months period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced as regulated by the Banking Regulation and Supervision Agency", is consist of the section listed below.

- General Information About the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on the Financial Structure and Risk Management of the Bank
- Explanations and Disclosures Related to the Unconsolidated Financial Statements
- Other Explanations
- Auditor's Review Report
- Interim Activity Report

The accompanying financial statements and notes to these financial statements for the nine-months period ended which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

<hr/> <b>Hamad Abdulmohsen AL-MARZOUQ</b>  Chairman of the Board of Directors	<hr/> <b>Shadi Ahmed Yacoub ZAHHRAN</b>  Chairman of the Audit Committee	<hr/> <b>Nadir ALPASLAN</b>  Member of the Audit Committee	
<hr/> <b>Mohamed Hedi MEJAI</b>  Member of the Audit Committee	<hr/> <b>Ufuk UYAN</b>  General Manager	<hr/> <b>Ahmet KARACA</b>  Vice General Manager of Financial Affairs	<hr/> <b>Mehmed Tahir KAPLAN</b>  Budget and Reporting Group Manager

For the questions regarding this financial report, contact details of the personnel in charge are presented below;

Name-Surname / Title : Samet ÖZCAN / Associate Consolidation Manager  
Tel No : 0212 354 10 86  
Fax No : 0212 354 11 03

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATIONS AND NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30 SEPTEMBER 2024**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**SECTION ONE**  
**GENERAL INFORMATION**

**1. History of the Bank including its incorporation date, initial legal status and amendments to legal status**

Kuveyt Türk Katılım Bankası A.Ş. (“The Bank”) was incorporated with the approval of the Central Bank of the Republic of Türkiye (CBRT) on 28 February 1989 and commenced its operations on 31 March 1989, with the name of Kuveyt Türk Evkaf Finans Kurumu A.Ş. To comply with the Banking Act 5411, the title of the Bank has been changed to Kuveyt Türk Katılım Bankası A.Ş. with a change in the Articles of Association which was approved in the annual general meeting dated 26 April 2006. Main field of operation is, in addition to the Bank’s equity, to collect funds from domestic and foreign customers through “Current Accounts” and “Profit/ Loss Sharing Accounts” and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

**2. Shareholding structure, shareholders jointly or individually having direct or indirect control over the management and supervision of the Bank and the disclosures on any related changes in the current period, if any, and information about the Group that the Bank belongs to**

As of 30 September 2024, 57.81% of the Bank’s shares are owned by Kuwait Finance House located in Kuwait, 24.49% by Vakıflar Genel Müdürlüğü Mazbut Vakıfları, 8.36% by Wafra International Investment Company in Kuwait and 8.36% by Islamic Development Bank whereas the remaining 0.98% of the shares are owned by other real persons and legal entities.

**3. Explanations regarding the chairman and the members of board of directors, audit committee members, general manager and assistant general managers and their shares in the bank**

Name	Title	Date of Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Hamad A H D MARZOUQ	Head of the BOD	25/06/2014			Master	-
Shadi Ahmed YACOUB ZAHARAN	Member of BOD and chairman of the Audit Committee	25/09/2020	04/11/2020		Master	-
Nadir ALPASLAN	Vice President of BOD and member of Audit Committee	15/04/2011	24/12/2019		Bachelor	-
Salah A E ALMUDHAF (*)	Member of BOD	07/10/2019			Bachelor	-
Ahmad S A A ALKHARJI	Member of BOD	26/03/2014	24/09/2014	09/09/2020	Master	-
Mohamed Hedi MEJAI	Member of BOD and Audit Committee	25/03/2021	04/05/2021		Master	-
Gehad Mohamed ELBENDARY ANANY	Member of BOD	25/09/2020	09/09/2020	04/11/2020	Bachelor	-
Sinan AKSU	Member of BOD	08/05/2023			Bachelor	-
Ufuk UYAN	Member of BOD and General Manager	10/05/1999			Master	0.057%
Ahmet KARACA	Assistant General Manager, Financial Control.	12/07/2006			Master	0.001%
Ahmet Süleyman KARAKAYA	Assistant General Manager, Corporate and Commercial Banking	14/01/2003			Bachelor	-
Bilal SAYIN	Assistant General Manager, Lending	20/08/2003			Bachelor	0.004%
İrfan YILMAZ	Assistant General Manager, Banking Services	27/10/2005			Bachelor	0.020%
Dr. Ruşen Ahmet ALBAYRAK	Assistant General Manager, Treasury and International Banking.	05/05/2005			Doctorate	0.008%
Nurettin KOLAÇ	Assistant General Manager, Legal and Risk Follow Up	20/04/2010			Bachelor	0.001%
Aslan DEMİR	Assistant General Manager, Strategy	08/10/2012			Bachelor	0.006%
Mehmet ORAL	Assistant General Manager, Retail Banking	01/10/2012			Bachelor	0.005%
Abdurrahman DELİPOYRAZ	Assistant General Manager, SME Banking	09/01/2015			Bachelor	0.005%
Hüseyin Cevdet YILMAZ	Head of the Risk, Control and Compliance Group	16/12/2003			Bachelor	0.001%
Bahattin Akca	Chairman of the Inspection Board	01/08/2007			Bachelor	0.001%

Chairman and members of the Board of Directors, members of auditing committee, general manager and assistant general managers own 0.11% of the Bank’s share capital (31 December 2023 – 0.11%).

(\*) Salah A E ALMUDHAF, a member of the Board of Directors, resigned from his duty on 02.10.2024.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATIONS AND NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30 SEPTEMBER 2024**

*(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)*

**4. Information about the persons and institutions that have qualified shares attributable to the Bank**

<b>Name / Commercial Name</b>	<b>Share amount (Nominal)</b>	<b>Shareholding percentage</b>	<b>Paid shares (Nominal)</b>	<b>Unpaid shares</b>
Kuwait Finance House	2,863,098	57.81%	2,863,098	-
T.C. Vakıflar General Directorate (*)	1,212,608	24.49%	1,212,608	-
<b>Total</b>	<b>4,075,706</b>	<b>82.3%</b>	<b>4,075,706</b>	-

\* According to the decision taken at the extraordinary general assembly meeting held on 15/04/2024, the General Directorate of Foundations Mazbut Foundations increased its share from 18.72% to 24.49%.

As of 30 September 2024, the shareholding structure of Kuwait Finance House, the main shareholder of the Bank, is as follows.

<b>Name / Commercial Name</b>	<b>Share rates</b>
Kuwait Investment Authority	15.67%
The Public Institution for Social Security & Group	9.05%
The Public Authority for Minors Affairs	6.82%
Public Shares	68.46%
<b>TOTAL</b>	<b>100.00%</b>

**5. Summary information on the Bank’s activities and services**

The Bank’s field of operations includes corporate banking, international banking services, and retail banking and credit card services. The Bank’s core business is operating in accordance with the principles of interest-free banking as a participation bank by collecting funds through current and profit/loss sharing accounts and lending such funds to its customers.

As of 30 September 2024, the Bank is operating through 450 domestic branches (31 December 2023 – 445) with 6,210 employees (31 December 2023 – 6,011). Summary of some of the Bank’s operations described in the Articles of Association are as follows;

- To collect funds through “Current Accounts” and “Profit/Loss Sharing Accounts” and special fund pools in line with the regulations,
- To allocate funds to the economy and provide all kinds of cash, non-cash loans within the principles of non-interest banking,
- To offer financial and operational leasing,
- To handle all kinds of deposits and payments, including travelers’ checks, credit cards and other payment instruments, provide member business services (POS), consulting, advisory, and safe deposit box services,
- To purchase financial instruments on money and capital markets in cash or installments, sell and mediate the sale and trade on the stock exchange in accordance with legislation and principles of non-interest banking,
- To purchase, acquire and construct any kind of real estate and if necessary, lease or transfer ownership to other persons,
- To act as a representative, deputy or agent for corporations and enterprises (including insurance companies),
- To provide socially purposed assistance within the scope of the legislation within the principles of the Bank for the order and benefit of the society.

The Bank’s activities are not limited to the list above. If another transaction is decided to be beneficial to the Bank, the transaction must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities after whom it also needs to be approved by the Ministry of Trade since it constitutes an amendment of the Article of Association. Decisions that have been approved through all these channels will be included to the Article of Association.

**6. Current or likely actual legal barriers to immediate transfer of equity or repayment of debts between Bank and its subsidiaries:**

None.

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## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Unconsolidated Balance Sheet- Assets (Statement of Financial Position)
- II. Unconsolidated Statement of Off-Balance Sheet Items
- III. Unconsolidated Statement of Profit or Loss (Income Statement)
- IV. Unconsolidated Statement of Profit or Loss and Other Comprehensive Income
- V. Unconsolidated Statement of Changes in Shareholders' Equity
- VI. Unconsolidated Statement of Cash Flows



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**1. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)**

	ASSETS	Notes	Reviewed			Audited		
			TL	FC	Total	TL	FC	Total
					30.09.2024			31.12.2023
<b>I.</b>	<b>FINANCIAL ASSETS (Net)</b>		<b>107,883,873</b>	<b>226,642,124</b>	<b>334,525,997</b>	<b>82,833,739</b>	<b>188,565,919</b>	<b>271,399,658</b>
<b>1.1.</b>	<b>Cash and Cash Equivalents</b>		<b>56,376,132</b>	<b>187,655,708</b>	<b>244,031,840</b>	<b>30,060,030</b>	<b>128,727,096</b>	<b>158,787,126</b>
1.1.1.	Cash and Balances with Central Bank	(5.1.1.)	56,348,214	132,177,804	188,526,018	29,736,696	110,638,732	140,375,428
1.1.2.	Banks	(5.1.3.)	28,636	55,479,845	55,508,481	22,985	18,090,427	18,113,412
1.1.3.	Money Markets Placements		-	-	-	300,805	-	300,805
1.1.4.	Expected Credit Loss (-)		718	1,941	2,659	456	2,063	2,519
<b>1.2.</b>	<b>Financial Assets at Fair Value Through Profit or Loss</b>		<b>13,036,986</b>	<b>20,156,431</b>	<b>33,193,417</b>	<b>21,543,563</b>	<b>33,897,658</b>	<b>55,441,221</b>
1.2.1.	Government Debt Securities		314,824	12,779,874	13,094,698	661,487	32,015,909	32,677,396
1.2.2.	Equity Instruments		-	13,311	13,311	-	32,630	32,630
1.2.3.	Other Financial Assets		12,722,162	7,363,246	20,085,408	20,882,076	1,849,119	22,731,195
<b>1.3.</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	(5.1.4.)	<b>37,800,011</b>	<b>13,317,230</b>	<b>51,117,241</b>	<b>29,815,694</b>	<b>25,477,693</b>	<b>55,293,387</b>
1.3.1.	Government Debt Securities		37,694,424	12,533,425	50,227,849	29,541,039	24,858,617	54,399,656
1.3.2.	Equity Instruments		105,587	324,097	429,684	60,587	241,172	301,759
1.3.3.	Other Financial Assets		-	459,708	459,708	214,068	377,904	591,972
<b>1.4.</b>	<b>Derivative Financial Assets</b>		<b>670,744</b>	<b>5,512,755</b>	<b>6,183,499</b>	<b>1,414,452</b>	<b>463,472</b>	<b>1,877,924</b>
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.2.)	670,744	5,512,755	6,183,499	1,414,452	463,472	1,877,924
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.11.)	-	-	-	-	-	-
<b>II.</b>	<b>FINANCIAL ASSETS MEASURED WITH AMORTISED COSTS (Net)</b>		<b>256,201,655</b>	<b>206,590,503</b>	<b>462,792,158</b>	<b>246,636,605</b>	<b>133,935,930</b>	<b>380,572,535</b>
<b>2.1.</b>	<b>Loans</b>	(5.1.5.)	<b>218,262,258</b>	<b>154,028,223</b>	<b>372,290,481</b>	<b>198,311,575</b>	<b>99,867,523</b>	<b>298,179,098</b>
<b>2.2.</b>	<b>Lease Receivables</b>	(5.1.10.)	<b>16,781,816</b>	<b>33,367,615</b>	<b>50,149,431</b>	<b>17,428,625</b>	<b>19,691,158</b>	<b>37,119,783</b>
<b>2.3.</b>	<b>Other Financial Assets Measured at Amortized Cost</b>	(5.1.6.)	<b>30,468,779</b>	<b>24,472,813</b>	<b>54,941,592</b>	<b>41,947,315</b>	<b>21,256,329</b>	<b>63,203,644</b>
2.3.1.	Government Debt Securities		30,468,779	24,472,813	54,941,592	36,951,904	21,256,329	58,208,233
2.3.2.	Other Financial Assets		-	-	-	4,995,411	-	4,995,411
<b>2.4.</b>	<b>Expected Loss Provision (-)</b>		<b>9,311,198</b>	<b>5,278,148</b>	<b>14,589,346</b>	<b>11,050,910</b>	<b>6,879,080</b>	<b>17,929,990</b>
<b>III.</b>	<b>NON-CURRENT ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(5.1.16.)	<b>378,516</b>	<b>-</b>	<b>378,516</b>	<b>428,585</b>	<b>-</b>	<b>428,585</b>
3.1.	Held for Sale Purpose		378,516	-	378,516	428,585	-	428,585
3.2.	Held from Discontinued Operations		-	-	-	-	-	-
<b>IV.</b>	<b>EQUITY INVESTMENTS</b>		<b>3,942,925</b>	<b>-</b>	<b>3,942,925</b>	<b>3,212,925</b>	<b>-</b>	<b>3,212,925</b>
<b>4.1.</b>	<b>Associates (Net)</b>	(5.1.7.)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
<b>4.2.</b>	<b>Subsidiaries (Net)</b>	(5.1.8.)	<b>3,922,925</b>	<b>-</b>	<b>3,922,925</b>	<b>3,192,925</b>	<b>-</b>	<b>3,192,925</b>
4.2.1.	Unconsolidated Financial Subsidiaries		3,799,245	-	3,799,245	3,069,245	-	3,069,245
4.2.2.	Unconsolidated Non-Financial Subsidiaries		123,680	-	123,680	123,680	-	123,680
<b>4.3.</b>	<b>Joint Ventures (Net)</b>	(5.1.9.)	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
4.3.1.	Joint Ventures Valued Based on Equity Method		20,000	-	20,000	20,000	-	20,000
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V.</b>	<b>TANGIBLE ASSETS (Net)</b>	(5.1.12.)	<b>4,496,998</b>	<b>5,160</b>	<b>4,502,158</b>	<b>3,465,513</b>	<b>715</b>	<b>3,466,228</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS (Net)</b>	(5.1.13.)	<b>2,105,054</b>	<b>269</b>	<b>2,105,323</b>	<b>984,132</b>	<b>28</b>	<b>984,160</b>
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		2,105,054	269	2,105,323	984,132	28	984,160
<b>VII.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	(5.1.14.)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>DEFERRED TAX ASSET</b>	(5.1.15.)	<b>6,411,181</b>	<b>-</b>	<b>6,411,181</b>	<b>5,747,818</b>	<b>-</b>	<b>5,747,818</b>
<b>X.</b>	<b>OTHER ASSETS</b>	(5.1.17.)	<b>10,587,080</b>	<b>428,360</b>	<b>11,015,440</b>	<b>2,037,028</b>	<b>319,278</b>	<b>2,356,306</b>
	<b>TOTAL ASSETS</b>		<b>392,007,282</b>	<b>433,666,416</b>	<b>825,673,698</b>	<b>345,346,345</b>	<b>322,821,870</b>	<b>668,168,215</b>

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**1. BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)**

	LIABILITIES	Notes	Reviewed Current Period 30.09.2024			Audited Prior Period 31.12.2023		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>FUNDS COLLECTED</b>	(5.2.1.)	254,170,577	301,747,785	555,918,362	246,948,333	260,562,540	507,510,873
<b>II.</b>	<b>FUNDS BORROWED</b>	(5.2.3.)	26,096,338	122,349,250	148,445,588	9,265,255	63,762,092	73,027,347
<b>III.</b>	<b>MONEY MARKETS</b>		6,496,725	-	6,496,725	4,186,987	-	4,186,987
<b>IV.</b>	<b>SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
<b>V.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>		1,061,030	408,897	1,469,927	99,842	877,957	977,799
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.2.2.)	1,061,030	408,897	1,469,927	99,842	877,957	977,799
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.2.6.)	-	-	-	-	-	-
<b>VII.</b>	<b>LEASE PAYABLES (Net)</b>	(5.2.5.)	1,319,913	15,181	1,335,094	873,237	10,148	883,385
<b>VIII.</b>	<b>PROVISIONS</b>	(5.2.7.)	5,130,173	1,760,723	6,890,896	3,941,330	1,614,502	5,555,832
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves for Employee Benefits		2,754,365	304,682	3,059,047	2,422,618	233,569	2,656,187
8.3.	Insurance for Technical Provision (Net)		-	-	-	-	-	-
8.4.	Other Provisions		2,375,808	1,456,041	3,831,849	1,518,712	1,380,933	2,899,645
<b>IX.</b>	<b>CURRENT TAX LIABILITIES</b>	(5.2.8.1.)	770,547	-	770,547	3,384,651	-	3,384,651
<b>X.</b>	<b>DEFERRED TAX LIABILITIES</b>		-	-	-	-	-	-
<b>XI.</b>	<b>LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(5.2.9.)	-	-	-	-	-	-
11.1.	Held for Sale		-	-	-	-	-	-
11.2.	Related to Discontinued Operations		-	-	-	-	-	-
<b>XII.</b>	<b>SUBORDINATED DEBT INSTRUMENTS</b>	(5.2.10.)	-	13,867,160	13,867,160	-	17,967,564	17,967,564
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	13,867,160	13,867,160	-	17,967,564	17,967,564
<b>XIII.</b>	<b>OTHER LIABILITIES</b>	(5.2.4.)	11,500,635	6,786,121	18,286,756	4,126,607	2,561,482	6,688,089
<b>XIV.</b>	<b>SHAREHOLDERS' EQUITY</b>	(5.2.11.)	71,758,316	434,327	72,192,643	47,752,551	233,137	47,985,688
14.1.	Paid-in Capital		4,947,336	-	4,947,336	4,595,131	-	4,595,131
14.2.	Capital Reserves		6,375,380	-	6,375,380	25,124	-	25,124
14.2.1.	Share Premiums		6,373,506	-	6,373,506	23,250	-	23,250
14.2.2.	Share Cancellation Profit		1,874	-	1,874	1,874	-	1,874
14.2.3.	Other Capital Reserves		-	-	-	-	-	-
14.3.	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(513,980)	-	(513,980)	(513,980)	-	(513,980)
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(5,720,984)	434,327	(5,286,657)	(1,277,616)	233,137	(1,044,479)
14.5.	Profit Reserves		42,204,075	-	42,204,075	18,253,903	-	18,253,903
14.5.1.	Legal Reserves		2,944,691	-	2,944,691	1,348,129	-	1,348,129
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		38,978,350	-	38,978,350	16,674,091	-	16,674,091
14.5.4.	Other Profit Reserves		281,034	-	281,034	231,683	-	231,683
14.6.	Profit or Loss		24,466,489	-	24,466,489	26,669,989	-	26,669,989
14.6.1.	Prior Years' Profit or Loss		60,618	-	60,618	60,618	-	60,618
14.6.2.	Net Profit or Loss for the Period		24,405,871	-	24,405,871	26,609,371	-	26,609,371
14.7.	Minority Shares	(5.2.12.)	-	-	-	-	-	-
	<b>TOTAL LIABILITIES</b>		<b>378,304,254</b>	<b>447,369,444</b>	<b>825,673,698</b>	<b>320,578,793</b>	<b>347,589,422</b>	<b>668,168,215</b>

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF**  
**30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**2. STATEMENT OF OFF-BALANCE SHEET**

	Notes	Reviewed Current Period 30.09.2024			Audited Prior Period 31.12.2023		
		TL	FC	Total	TL	FC	Total
<b>A.</b>		<b>246,820,432</b>	<b>250,540,127</b>	<b>497,360,559</b>	<b>169,038,320</b>	<b>149,442,897</b>	<b>318,481,217</b>
<b>I.</b>		<b>60,806,038</b>	<b>32,182,530</b>	<b>92,988,568</b>	<b>37,869,833</b>	<b>23,717,066</b>	<b>61,586,899</b>
1.1.	Letters of Guarantee	54,950,826	18,327,335	73,278,161	35,113,871	14,392,194	49,506,065
1.1.1.	Guarantees Subject to State Tender Law	796,272	28,369	824,641	732,597	24,480	757,077
1.1.2.	Guarantees Given for Foreign Trade Operations	2,920,138	109,873	3,030,011	1,774,567	86,137	1,860,704
1.1.3.	Other Letters of Guarantee	51,234,416	18,189,093	69,423,509	32,606,707	14,281,577	46,888,284
1.2.	Bank Loans	28,551	630,515	659,066	18,769	164,427	183,196
1.2.1.	Import Letter of Acceptances	28,551	630,515	659,066	18,769	164,427	183,196
1.2.2.	Other Bank Acceptances	-	-	-	-	-	-
1.3.	Letters of Credit	41,742	12,846,057	12,887,799	49,354	8,836,973	8,886,327
1.3.1.	Documentary Letters of Credit	19,077	2,609,122	2,628,199	18,355	1,805,046	1,823,401
1.3.2.	Other Letters of Credit	22,665	10,236,935	10,259,600	30,999	7,031,927	7,062,926
1.4.	Guaranteed Refinancing	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Türkiye	-	-	-	-	-	-
1.5.2.	Other Endorsements	-	-	-	-	-	-
1.6.	Other Guarantees	5,784,919	378,623	6,163,542	2,687,839	323,472	3,011,311
1.7.	Other Warrantes	-	-	-	-	-	-
<b>II.</b>		<b>136,957,585</b>	<b>18,244,148</b>	<b>155,201,733</b>	<b>99,196,596</b>	<b>8,317,056</b>	<b>107,513,652</b>
2.1.	Irrevocable Commitments	81,488,812	18,244,148	99,732,960	43,894,580	8,317,056	52,211,636
2.1.1.	Forward Asset Purchase and Sales Commitments	3,909,808	17,873,267	21,783,075	1,955,404	7,582,980	9,538,384
2.1.2.	Share Capital Commitment to Associates and Subsidiaries	22,500	-	22,500	67,500	-	67,500
2.1.3.	Loan Granting Commitments	5,445,845	-	5,445,845	3,871,287	-	3,871,287
2.1.4.	Securities Underwriting Commitments	-	-	-	-	-	-
2.1.5.	Commitments For Reserve Deposits Requirements	-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks	5,491,053	-	5,491,053	3,861,133	-	3,861,133
2.1.7.	Tax and Fund Liabilities from Export Commitments	-	-	-	-	-	-
2.1.8.	Commitments For Credit Card Expenditure Limits	66,276,802	-	66,276,802	33,913,418	-	33,913,418
2.1.9.	Commitments For Credit Cards and Banking Services Promotions	-	-	-	-	-	-
2.1.10.	Receivables From Short Sale Commitments	-	-	-	-	-	-
2.1.11.	Payables For Short Sale Commitments	-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments	342,804	370,881	713,685	225,838	734,076	959,914
2.2.	Revocable Commitments	55,468,773	-	55,468,773	55,302,016	-	55,302,016
2.2.1.	Revocable Loan Granting Commitments	55,468,773	-	55,468,773	55,302,016	-	55,302,016
2.2.2.	Other Revocable Commitments	-	-	-	-	-	-
<b>III.</b>		<b>49,056,809</b>	<b>200,113,449</b>	<b>249,170,258</b>	<b>31,971,891</b>	<b>117,408,775</b>	<b>149,380,666</b>
3.1.	Derivative Financial Instruments Held for Risk Management	-	-	-	-	-	-
3.1.1.	Fair Value Hedges	-	-	-	-	-	-
3.1.2.	Cash Flow Hedges	-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations	-	-	-	-	-	-
3.2.	Held For Trading Transactions	49,056,809	200,113,449	249,170,258	31,971,891	117,408,775	149,380,666
3.2.1.	Forward Foreign Currency Buy/Sell Transactions	3,231,898	7,479,687	10,711,585	3,814,368	9,338,242	13,152,610
3.2.1.1.	Forward Foreign Currency Buy Transactions	1,493,252	3,904,122	5,397,374	2,534,340	4,143,482	6,677,822
3.2.1.2.	Forward Foreign Currency Sell Transactions	1,738,646	3,575,565	5,314,211	1,280,028	5,194,760	6,474,788
3.2.2.	Other Forward Buy/Sell Transactions	45,824,911	192,633,762	238,458,673	28,157,523	108,070,533	136,228,056
3.3.	Other	-	-	-	-	-	-
<b>B.</b>		<b>3,700,486,181</b>	<b>5,513,233,155</b>	<b>9,213,719,336</b>	<b>2,450,729,796</b>	<b>2,900,613,677</b>	<b>5,351,343,473</b>
<b>IV.</b>		<b>186,353,821</b>	<b>4,658,249,848</b>	<b>4,844,603,669</b>	<b>149,692,755</b>	<b>2,201,236,887</b>	<b>2,350,929,642</b>
4.1.	Customers' Securities Held	-	-	-	-	-	-
4.2.	Investment Securities Held in Custody	43,062,060	4,604,330,492	4,647,392,552	19,584,500	2,141,385,286	2,160,969,786
4.3.	Checks Received for Collection	71,274,219	2,118,524	73,392,743	56,183,252	1,430,053	57,613,305
4.4.	Commercial Notes Received for Collection	6,521,213	2,725,066	9,246,279	5,132,928	1,862,477	6,995,405
4.5.	Other Assets Received for Collection	-	-	-	-	-	-
4.6.	Assets Received for Public Offering	-	-	-	-	-	-
4.7.	Other Items Under Custody	-	-	-	-	-	-
4.8.	Custodians	65,496,329	49,075,766	114,572,095	68,792,075	56,559,071	125,351,146
<b>V.</b>		<b>3,512,912,192</b>	<b>854,314,898</b>	<b>4,367,227,090</b>	<b>2,300,424,666</b>	<b>698,929,858</b>	<b>2,999,354,524</b>
5.1.	Marketable Securities	4,832,065	4,324,926	9,156,991	3,152,926	235,462	3,388,388
5.2.	Guarantee Notes	100,977	14,519,238	14,620,215	100,977	11,889,942	11,990,919
5.3.	Commodity	121,119,683	48,924,327	170,044,010	67,498,620	3,423,389	70,922,009
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	801,520,437	36,968,402	838,488,839	523,785,679	31,954,004	555,739,683
5.6.	Other Pledged Items	2,585,339,030	749,578,005	3,334,917,035	1,705,886,464	651,427,061	2,357,313,525
5.7.	Pledged Items-Depository	-	-	-	-	-	-
<b>VI.</b>		<b>1,220,168</b>	<b>668,409</b>	<b>1,888,577</b>	<b>612,375</b>	<b>446,932</b>	<b>1,059,307</b>
	<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>	<b>3,947,306,613</b>	<b>5,763,773,282</b>	<b>9,711,079,895</b>	<b>2,619,768,116</b>	<b>3,050,056,574</b>	<b>5,669,824,690</b>

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (STATEMENT OF INCOME)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**3. STATEMENT OF PROFIT OR LOSS (STATEMENT OF INCOME)**

			Current Period Reviewed 01.01.2024- 30.09.2024	Current Period Reviewed 01.07.2024- 30.09.2024	Prior Period Reviewed 01.01.2023- 30.09.2023	Prior Period Reviewed 01.07.2023- 30.09.2023
	<b>INCOME AND EXPENSE ITEMS</b>	<b>Notes</b>				
<b>I.</b>	<b>PROFIT SHARE INCOME</b>	<b>(5.4.1.)</b>	<b>94,594,167</b>	<b>34,049,992</b>	<b>40,552,252</b>	<b>16,057,576</b>
1.1.	Profit Share on Loans		62,802,494	22,684,575	23,804,292	8,889,853
1.2.	Profit Share on Reserve Deposits		6,138,644	2,853,133	-	-
1.3.	Profit Share on Banks		531,660	148,372	424,889	167,031
1.4.	Profit Share on Money Market Placements		-	-	-	-
1.5.	Profit Share on Marketable Securities Portfolio		17,701,867	5,746,043	13,346,389	5,747,199
1.5.1.	Fair Value Through Profit or Loss		812,160	261,318	440,961	152,825
1.5.2.	Fair Value Through Other Comprehensive Income		8,950,674	3,029,592	10,454,642	4,569,622
1.5.3.	Measured at Amortized Cost		7,939,033	2,455,133	2,450,786	1,024,752
1.6.	Finance Lease Income		6,994,413	2,409,194	2,902,057	1,219,057
1.7.	Other Profit Share Income		425,089	208,675	74,625	34,436
<b>II.</b>	<b>PROFIT SHARE EXPENSES (-)</b>		<b>59,147,391</b>	<b>21,278,067</b>	<b>16,806,732</b>	<b>7,595,737</b>
2.1.	Expense on Profit Sharing Accounts	(5.4.4.)	43,955,572	15,591,723	14,207,908	6,490,016
2.2.	Profit Share Expense on Funds Borrowed	(5.4.2.)	9,650,666	3,753,172	2,346,958	1,029,659
2.3.	Profit Share Expense on Money Market Borrowings		5,360,332	1,865,412	156,260	39,361
2.4.	Expense on Securities Issued		-	-	-	-
2.5.	Profit Share Expense on Lease		180,821	67,760	95,606	36,701
2.6.	Other Profit Share Expense		-	-	-	-
<b>III.</b>	<b>NET PROFIT SHARE INCOME (I - II)</b>		<b>35,446,776</b>	<b>12,771,925</b>	<b>23,745,520</b>	<b>8,461,839</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>6,126,151</b>	<b>2,503,784</b>	<b>1,980,614</b>	<b>1,109,704</b>
4.1.	Fees and Commissions Received		12,848,804	4,990,627	4,228,471	2,023,809
4.1.1.	Non-Cash Loans		537,275	203,912	281,801	107,511
4.1.2.	Other	(5.4.13.)	12,311,529	4,786,715	3,946,670	1,916,298
4.2.	Fees and Commissions Paid (-)		6,722,653	2,486,843	2,247,857	914,105
4.2.1.	Non-Cash Loans		4,022	1,696	1,858	516
4.2.2.	Other	(5.4.13.)	6,718,631	2,485,147	2,245,999	913,589
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(5.4.3.)</b>	<b>3,630</b>	<b>2,769</b>	<b>1,311</b>	<b>714</b>
<b>VI.</b>	<b>TRADE PROFIT / LOSS (Net)</b>	<b>(5.4.5.)</b>	<b>3,483,526</b>	<b>1,813,312</b>	<b>8,519,892</b>	<b>2,170,934</b>
6.1.	Capital Market Transaction Gains/Losses		4,340,176	1,988,238	1,436,515	577,924
6.2.	Gains/Losses from Derivative Financial Instruments		4,098,587	4,356,173	8,412,253	4,219,602
6.3.	Foreign Exchange Gains/Losses		(4,955,237)	(4,531,099)	(1,328,876)	(2,626,592)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5.4.6.)</b>	<b>8,000,521</b>	<b>2,637,871</b>	<b>1,781,591</b>	<b>392,552</b>
<b>VIII.</b>	<b>GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>53,060,604</b>	<b>19,729,661</b>	<b>36,028,928</b>	<b>12,135,743</b>
<b>IX.</b>	<b>EXPECTED LOSS PROVISIONS (-)</b>	<b>(5.4.7.)</b>	<b>3,909,459</b>	<b>922,626</b>	<b>5,606,040</b>	<b>(542,592)</b>
<b>X.</b>	<b>OTHER PROVISIONS (-)</b>	<b>(5.4.7.)</b>	<b>1,269,188</b>	<b>948,139</b>	<b>439,348</b>	<b>171,943</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>8,413,125</b>	<b>3,202,744</b>	<b>4,074,954</b>	<b>1,470,665</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(5.4.8.)</b>	<b>7,301,235</b>	<b>2,702,410</b>	<b>3,589,843</b>	<b>1,348,293</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>32,167,597</b>	<b>11,953,742</b>	<b>22,318,743</b>	<b>9,687,434</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-	-	-
<b>XV.</b>	<b>PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-	-	-
<b>XVI.</b>	<b>PROFIT/LOSS ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII.</b>	<b>PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAXES (XII+...+XV)</b>	<b>(5.4.9.)</b>	<b>32,167,597</b>	<b>11,953,742</b>	<b>22,318,743</b>	<b>9,687,434</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(5.4.10)</b>	<b>(7,761,726)</b>	<b>(3,044,269)</b>	<b>(5,221,573)</b>	<b>(2,662,297)</b>
18.1.	Current Tax Provision		6,600,503	706,516	6,044,351	3,042,819
18.2.	Deferred Tax Expense Effect (+)		1,612,565	1,469,674	609,575	418,824
18.3.	Deferred Tax Income Effect (-)		451,342	(868,079)	1,432,353	799,346
<b>XIX.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(5.4.11.)</b>	<b>24,405,871</b>	<b>8,909,473</b>	<b>17,097,170</b>	<b>7,025,137</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
20.1.	Income on Non-Current Assets Held for Sale		-	-	-	-
20.2.	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
20.3.	Income on Other Discontinued Operations		-	-	-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
21.1.	Expenses from Non-Current Assets Held for Sale		-	-	-	-
21.2.	Expenses from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
21.3.	Expenses From Other Discontinued Operations		-	-	-	-
<b>XXII.</b>	<b>PROFIT / LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		-	-	-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
23.1.	Current Tax Provision		-	-	-	-
23.2.	Deferred Tax Expense Effect (+)		-	-	-	-
23.3.	Deferred Tax Income Effect (-)		-	-	-	-
<b>XXIV.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXV.</b>	<b>NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)</b>	<b>(5.4.12.)</b>	<b>24,405,871</b>	<b>8,909,473</b>	<b>17,097,170</b>	<b>7,025,137</b>
25.1.	Group's Profit/Loss		24,405,871	8,909,473	17,097,170	7,025,137
25.2.	Minority Interest Profit/Loss (-)		-	-	-	-
	Earnings Per Share Profit/Loss (Full TL)		5.2167	-	3.7168	-

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		Reviewed Current Period 01.01.2024 - 30.09.2024	Reviewed Prior Period 01.01.2023 - 30.09.2023
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>24,405,871</b>	<b>17,097,170</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>(4,242,178)</b>	<b>(4,921,765)</b>
2.1	<b>Not Reclassified Through Profit or Loss</b>	-	<b>19,628</b>
2.1.1	Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	19,628
2.2	<b>Reclassified Through Profit or Loss</b>	<b>(4,242,178)</b>	<b>(4,941,393)</b>
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(6,081,955)	(6,611,766)
2.2.3	Cash Flow Hedge Income/Expenses	-	-
2.2.4	Foreign Net Investment Hedge Income/Expenses	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	1,839,777	1,670,373
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>20,163,693</b>	<b>12,175,405</b>

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**5. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Notes	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior Periods' Profit / (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity Less Minority Shares	Minority Shares	Total Shareholders' Equity	
						1	2	3	4	5	6							
<b>I.</b>	<b>Prior Period (01/01/2023 – 30/09/2023)</b>																	
	<b>Prior Period Ending Balance</b>	4,595,131	23,250	1,874	-	-	(294,407)	-	-	4,683,503	-	5,610,413	51,631	14,043,447	28,714,842	-	28,714,842	
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New Balance (I+II)</b>	4,595,131	23,250	1,874	-	-	(294,407)	-	-	4,683,503	-	5,610,413	51,631	14,043,447	28,714,842	-	28,714,842	
<b>IV.</b>	<b>Total Comprehensive Income</b>	-	-	-	-	-	19,628	-	-	(4,941,393)	-	-	-	17,097,170	12,175,405	-	12,175,405	
<b>V.</b>	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	403	8,987	-	9,390	-	9,390	
<b>XI.</b>	<b>Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	12,643,447	-	(14,043,447)	(1,400,000)	-	(1,400,000)	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,400,000)	-	(1,400,000)	-	(1,400,000)	
11.2	Transfers to Legal Reserves	-	-	-	-	-	-	-	-	-	-	12,643,447	(12,643,447)	-	-	-	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	14,043,447	(14,043,447)	-	-	-	
	<b>Balances at End of the Period (III+IV+.....+X+XI)</b>	(5.2.11.)	4,595,131	23,250	1,874	-	-	(274,779)	-	(257,890)	-	18,254,263	60,618	17,097,170	39,499,637	-	39,499,637	
<b>I.</b>	<b>Current Period (01/01/2024 – 30/09/2024)</b>																	
	<b>Prior Period Ending Balance</b>	4,595,131	23,250	1,874	-	-	(513,980)	-	-	(1,044,479)	-	18,253,903	60,618	26,609,371	47,985,688	-	47,985,688	
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New Balance (I+II)</b>	4,595,131	23,250	1,874	-	-	(513,980)	-	-	(1,044,479)	-	18,253,903	60,618	26,609,371	47,985,688	-	47,985,688	
<b>IV.</b>	<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	(4,242,178)	-	-	-	24,405,871	20,163,693	-	20,163,693	
<b>V.</b>	Capital Increase by Cash	352,205	6,350,256	-	-	-	-	-	-	-	-	-	-	-	6,702,461	-	6,702,461	
<b>VI.</b>	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VII.</b>	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VIII.</b>	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>IX.</b>	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>X.</b>	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	(1,079)	-	(1,079)	-	-	(1,079)	-	(1,079)	
<b>XI.</b>	<b>Profit Distribution</b>	-	-	-	-	-	-	-	-	23,951,251	-	23,951,251	-	(26,609,371)	(2,658,120)	-	(2,658,120)	
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(2,660,937)	-	(2,660,937)	-	(2,660,937)	
11.2	Transfers to Legal Reserves	-	-	-	-	-	-	-	-	-	-	23,951,251	(23,948,434)	-	2,817	-	2,817	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	26,609,371	(26,609,371)	-	-	-	
	<b>Balances at End of the Period (III+IV+.....+X+XI)</b>	(5.2.11.)	4,947,336	6,373,506	1,874	-	(513,980)	-	-	(5,286,657)	-	42,204,075	60,618	24,405,871	72,192,643	-	72,192,643	

1. Accumulated revaluation increase / decrease of fixed assets,
2. Accumulated rereasurement gain / loss of defined benefit pension plan,
3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)
4. Foreign currency translation differences
5. Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income
6. Other (cash flow hedge gains/losses, shares of other comprehensive income of investments accounted through equity method that will be reclassified to profit or loss and accumulated amounts of other comprehensive income items that will be reclassified to other profit or loss)

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**6. STATEMENT OF CASH FLOWS**

	Notes	Reviewed Current Period 01.01.2024-30.09.2024	Reviewed Prior Period 01.01.2023-30.09.2023
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	<b>Operating Profit Before Changes in Assets and Liabilities from Banking Operations</b>	<b>40,694,833</b>	<b>19,071,874</b>
1.1.1	Profit Share Income Received	85,614,531	32,295,659
1.1.2	Profit Share Expense Paid	(51,415,854)	(13,388,669)
1.1.3	Dividends Received	3,630	1,311
1.1.4	Fees and Commissions Received	12,848,804	4,228,471
1.1.5	Other Income	20,028,992	5,375,896
1.1.6	Collections from Previously Written Off Loans	521,991	895,699
1.1.7	Payments to Personnel and Service Suppliers	(8,010,265)	(4,073,788)
1.1.8	Taxes Paid	(7,570,642)	(3,622,948)
1.1.9	Others	(11,326,354)	(2,639,757)
<b>1.2</b>	<b>Changes in Assets and Liabilities from Banking Operations</b>	<b>(23,692,220)</b>	<b>12,111,259</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	24,784,785	(8,601,335)
1.2.2	Net (Increase) Decrease in Due from Banks and Other Financial Institutions	(40,247,809)	(16,961,050)
1.2.3	Net (Increase) Decrease in Loans	(65,435,633)	(76,479,798)
1.2.4	Net (Increase) Decrease in Other Assets	(17,239,040)	5,935,110
1.2.5	Net Increase (Decrease) in Bank Deposits	777,441	30,687
1.2.6	Net Increase (Decrease) in Other Deposits	4,501,840	82,506,311
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed	57,902,336	22,063,974
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	11,263,860	3,617,360
<b>I.</b>	<b>Net Cash Provided From Banking Operations</b>	<b>17,002,613</b>	<b>31,183,133</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>	<b>12,734,682</b>	<b>(27,745,217)</b>
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries	(775,000)	(522,500)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries	-	-
2.3	Fixed Assets Purchases	(1,701,334)	(1,036,710)
2.4	Fixed Assets Sales	541,644	313,710
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(12,943,790)	(11,626,818)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	24,256,631	860,679
2.7	Financial Assets Measured at Purchased Amortized Cost	(3,660,000)	(15,895,000)
2.8	Financial Assets Measured at Sold Amortized Cost	8,560,000	692,130
2.9	Other	(1,543,469)	(530,708)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>	<b>(2,841,758)</b>	<b>(1,495,606)</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayments of Funds Borrowed and Securities Issued	-	-
3.3	Equity Instruments Issued	-	-
3.4	Dividends Paid	(2,660,937)	(1,400,000)
3.5	Payments for Finance Leases	(180,821)	(95,606)
3.6	Other	-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>14,743,211</b>	<b>24,005,390</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents</b>	<b>41,638,748</b>	<b>25,947,700</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>71,638,421</b>	<b>45,273,124</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	<b>113,277,169</b>	<b>71,220,824</b>

The accompanying explanations and notes are an integral part of these financial statements.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

*(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**1. Explanations on basis of presentation**

**1.1 The preparation of the consolidated financial statements and related notes and explanations in accordance with The Turkish accounting standards and regulation on accounting applications for banks and safeguarding of documents**

The Bank prepares its financial statements in accordance with the “Regulation on The Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette dated 1 November 2006 with numbered 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency (“BRSA”) as well as the circulars and pronouncements published by the BRSA. For matters not regulated by the aforementioned legislations, the Bank prepares its financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, which comprises the terms of the Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority.

**1.2 Accounting policies and valuation principles applied in the preparation of financial statements**

The financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss, and the financial assets and liabilities at fair value through other comprehensive income that are measured at fair values.

The preparation of consolidated financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the Bank management to make assumptions and estimates with respect to the assets and liabilities on the balance sheet and contingent issues outstanding as of the balance sheet date. These assumptions and estimates mainly consist of calculations of the fair values of financial instruments and the impairment on assets. The assumptions and estimates are reviewed regularly and, when necessary, appropriate corrections are made and the effects of such corrections are reflected on the income statement.

POA, made an announcement on 23 November 2023 that the financial statements of the entities applying Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LMEs) for the annual reporting period ending on or after 31 December 2023 should be presented as adjusted for the effects of inflation in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Hyperinflationary Economies” and “FRS for LMEs Section 25 Financial Reporting in Hyperinflationary Economies”; However, institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the application of the provisions in TAS 29 or FRS for LMEs. Based on this announcement, BRSA has decided not to subject the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as of 31 December 2023 to the inflation adjustment required under TAS 29 in accordance with its decision dated 12 December 2023 and numbered 10744. BRSA, with the decision dated 11 January 2024 and numbered 10825, set the transition date of banks, financial leasing, factoring, financing, savings financing and asset management companies to TAS 29 as 1 January 2025. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 30 September 2024.



**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

*(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

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**1.3 Changes in accounting estimates, errors and classifications**

If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated. There were no significant changes in the accounting estimates of the Group in the current year. Comparative information is rearranged when deemed necessary in order to comply with the presentation of the current period financial statements. The Group has restated the prior period cash flow statement to conform to the presentation of the current period financial statements.

**1.4 Preparation of the financial statements as regards to the current purchasing power of money**

Until 31 December 2004, the financial statements of the Group were subject to inflation adjustments in accordance with Turkish Accounting Standard No: 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”). As per the BRSA decision numbered 1623 and dated 21 April 2005 and the BRSA circular dated 28 April 2005 it was stated that the indicators for the application of inflation accounting were no longer applicable. Consequently, as of 1 January 2005, the inflation accounting has not been applied.

**1.5 Disclosures regarding TFRS 9 financial instruments**

TFRS 9 “Financial Instruments”, which is effective as of 1 January 2018 is published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) in the Official Gazette numbered 29953 dated 19 January 2017. As of 1 January 2018, the application of TFRS 9 replaced “TAS 39: Financial Instruments: Recognition and Measurement.” standard.

TFRS 9 also includes new principles for general hedge accounting which aims to harmonize hedge accounting with risk management applications. In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply the hedge accounting provisions of TAS 39.

All recognized financial assets that are within the scope of TFRS 9 are required to be initially measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and profit share on the principal amount outstanding, are generally measured at Fair Value Through Other Comprehensive Income (“FVTOCI”). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment in other comprehensive income, with only dividend income generally recognized in profit or loss.

Dividends obtained from such investments are accounted in the financial statements as profit or loss unless they are evidently a part of the recoverable cost of investment.

As a result of the combination of contractual cash flow characteristics and business models, the differences in the classification of financial assets are reflected in the financial statements compared to the current classification in TAS 39.

During the first recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

**Classification and measurement of financial instruments**

According to TFRS 9 requirements, classification and measurement of financial assets will depend on the business model within which financial assets are managed and their contractual cash flow characteristics whether the cash flows represent solely payments of principal and profit share.

Upon initial recognition each financial asset shall be classified as either fair value through profit or loss (“FVTPL”) amortized cost or fair value through other comprehensive income (“FVTOCI”). As for the classification and measurement of financial liabilities, the application of the existing terms of TAS 39 remain largely unchanged under TFRS 9.

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
**EXPLANATION AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

*(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

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**1.5 Disclosures regarding TFRS 9 financial instruments (cont'd)**

**Explanations on expected credit loss (cont'd)**

As of 1 January 2018, the Parent Bank will recognize provisions for impairment in accordance with the TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. The expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.

Modelling studies were carried out on the principal components of the Expected Loan Loss calculation and the default probability (PD) models were developed on various loan portfolios. Credit portfolios are determined according to customer segments that form the basis of banking activities. The cyclical default probabilities generated by these models developed for use in the Internal Rating Based Approach (IDD) are translated into the Instantaneous Default Probabilities and these instantaneous default probabilities are used when calculating the Expected Loan Loss on TFRS 9 Calculation on Default (LGD) calculation reflects the legal deduction rates and the Bank's past collection performance on unsecured loans. Default Amount (EAD) corresponds to the balance used in cash at the reporting date for cash loans, non-cash loans and balance after application of the loan to commitment risks.

Macroeconomic scenarios affect PD values. The expected credit loss amount is calculated by weighting 3 different scenarios as Base, Good and Bad scenarios. The probability of default of the debtors and the loss rates in default vary with each scenario.

As of 30 September 2024, the Bank has been exposed to recession, geopolitical risks, inflation, unemployment, exchange rate risk, etc. with the effect of current internal and external conditions. In order to reflect the macroeconomic outlook and the upward risks that factors may pose on the bank's loan portfolio, it has revised its macroeconomic expectations and its calculations made considering the change in PD along with the update in the EDF model have been reflected in the financial statements. By its nature, the model effects are reflected in the financial statements with a delay due to the occurrence of the events and their effects at different times. For this reason, the Bank is establishing additional provisions for the Wholesale and Retail Trade, Build, Construction, Contracting and Tourism sectors, whose PD is more sensitive to the current macroeconomic and geopolitical conjuncture among the sectors that are declining. The Bank maintains this approach as of 30 September 2024. When deemed necessary, the future will review these assumptions according to the course of economic and geopolitical risks.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecast of future economic conditions.

The Bank applies a 'three-stage' impairment model depending on the gradual increase in credit risk observed since initial recognition:

**Stage 1:** Includes financial assets not having significant increase in their credit risk from initial recognition till the following reporting date or financial assets having low credit risk at the reporting date. It is recognized 12-month expected credit losses for such financial assets.

**Stage 2:** Includes financial assets having significant increase in their credit risk subsequent to the initial recognition, but not having objective evidence about impairment. It is recognized lifetime expected credit losses for such financial assets.

In this context, the basic considerations that are considered in determining the significant increase in the credit risk of a financial asset and its transfer to Phase 2 are, but are not limited to, the following.

- Delayed by more than 30 days as of the reporting date
- Restructuring
- Close Monitoring
- Evaluation of distortion in Rating Note

The definition of the deterioration in the rating is the comparison of the credit rating at the opening date and the rating date at the reporting date by using the Parent Bank's internal rating-based credit rating models. If the rating calculated for the loan at the reporting date exceeds the specified threshold values, the rating is deemed as deterioration.

**Stage 3:** Includes financial assets having objective evidence about impairment at the reporting date. It is recognized lifetime expected credit losses for such financial assets.

The Bank periodically evaluates the provisions of loans and other receivables in accordance with TFRS 9 retrospectively on the basis of their results and, if deemed necessary, revises the basketing rules and the parameters used in the calculation of the related provision balances.

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**1.6 Revenue from TFRS 15 disclosures regarding the standard of revenue from customer contracts**

TFRS 15 Revenue from Customer Contracts provides a single, comprehensive model and guidance on the recognition of revenue and is recorded in accordance with income with TFRS 15 Revenue from Customer Contracts.

**1.7 Explanations on TFRS 16 leases standard**

The leasing transactions are presented by the lessees as assets (right-of-use assets) and liabilities from leasing transactions. TFRS 16 Standard eliminates the dual accounting model of leasing transactions on balance sheet and operational leasing transactions as direct expense except balance sheet.

Within the scope of TFRS 16, the Bank reflects the existence of a lease obligation and a right of use to the financial statements at the date of initial application. The Bank measures the leasing liability on the present value of the remaining lease payments, discounted at their present value using the alternative borrowing cost ratio at the date of initial application of the Bank. In addition, the Bank measures the existence of the right to use of such right at an amount equal to the lease obligation, which is reflected in the statement of financial position immediately after the first application date, adjusted for the amount of all prepaid or accrued lease payments.

As of 30 September 2024, the right-of-use assets classified tangible assets gross amounting to TL 1,795,521 in the balance sheet of The Bank and lease liabilities classified in the item of liabilities from lease transactions amounting to gross TL 2,077,809. In the nine-month period that ended as of the same date, financial expenses amounting to TL 180,821 and depreciation expenses amounting to TL 295,394 were incurred.

**2. Explanations on strategy of using financial instruments and foreign currency transactions**

The Bank follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Bank's exposure to liquidity risk, currency risk and credit risk while increasing profitability and strengthening the Bank's equity. The assets-liabilities committee (ALC) manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee.

Gains and losses arising from foreign currency transactions have been recorded in the period in which the transaction took place. Foreign currency denominated monetary assets and liabilities are valued with the period end exchange rates published by the Central Bank of Türkiye converting them into Turkish Lira and valuation differences of foreign currencies have been recognized in the income statement under the net foreign exchange income/expense account.

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial instruments into Turkish Lira are included in the income statement. There are no foreign currency differences capitalized by the Bank.

**3. Investments in associates and subsidiaries**

Subsidiaries and associates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard on Consolidated and Separate Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any.

**4. Explanations on forward transactions and option contracts and derivative instruments**

The Bank engages in foreign currency futures transactions in order to reduce foreign currency position risk and manage foreign currency liquidity. The Bank's derivatives are classified as "Hedging Purposes" and "Financial Asset with Fair Value (GUD) Reflected in Profit/Loss". Accordingly, although some derivative transactions provide effective protection against risks for the Bank economically, those that cannot be defined accountably for hedging purposes are recognized as "Financial Assets Reflected in Fair Value (GUD) Profit/Loss" and tracked in the "Derivative Financial Assets/Liabilities" account on the balance sheet with their fair value.

Obligations and receivables arising from derivative transactions are recorded in the accounts based on the contract amounts. The fair value of currency futures and swaps is calculated using the discounted cash flow model. Differences in the fair value of derivative transactions for trading purposes are recognized in the "Trading Income/Loss" item in the income statement.

Embedded derivatives are separated from the host contract if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. Embedded derivatives are accounted as derivative instruments in-line with TFRS 9. If the embedded derivatives are closely related with the host contract, embedded derivatives are accounted for in-line with the relevant standard applicable for the host contract.

As of 30 September 2024, the Bank's has no cash flow hedging transaction.

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**4. Explanations on forward transactions and option contracts and derivative instruments (cont'd)**

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from 1 January 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance. As of 30 September 2024, the Bank has no hedging transactions based on the benchmark interest rate.

**5. Explanations on profit share income and expense**

Profit share income is recognized in the income statement on an accrual basis by using the method of internal rate of return and is accounted under profit share income account in the financial statements. While applying the internal rate of return method, the Bank amortizes the fees included in the account of the effective profit rate over the expected life of the financial instrument. If the financial asset is impaired and classified as a non-performing loan, profit accruals and rediscount calculations for these customers within the scope of TFRS 9 Financial Instruments Standard.

The Bank calculates expense accrual in accordance with the unit value calculation method on profit/loss sharing accounts and reflects these amounts in "Funds Collected" account on the balance sheet.

**6. Explanations on fees and commission income and expenses**

Other than fees and commission income and expenses received from certain banking transactions that are recorded as income or expense in the period they are collected, fees and commission income and expenses are recognized in the income statement depending on the duration of the transaction. Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers.

Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period.

In accordance with the provisions of TAS, commission and fees collected in advance for loans used by the Bank granted are deferred and reflected to the income statement by using the internal rate of return method. Unearned portion of the commission and fees relating to the future periods are recorded to the "Unearned Revenues" account under "Other Liabilities" on the balance sheet.

**7. Explanations on financial assets**

The Bank classifies and accounts for its financial assets as 'Fair Value Through Profit/Loss', 'Fair Value Through Other Comprehensive Income,' or 'Amortized Cost.' Such financial assets are recognized and derecognized as per the terms of "Recognition and Derecognition in Financial Statements" under the section three of the "TFRS 9 Financial Instruments" regarding the classification and measurements of financial instruments, published in the Official Gazette numbered 29953 and dated 19 January 2017 by Public Oversight, Accounting and Auditing Standards Authority ("POA"). When financial assets are included in the financial statements for the first time, they are measured at fair value. Transaction costs are initially added to fair value or deducted from fair value at the initial measurement of financial assets other than the "Fair Value at Fair Value Through Profit or Loss".

The Bank recognizes a financial asset in the financial statements only when it becomes a party to the contractual terms of a financial instrument. During the initial recognition of a financial asset, the business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments are made to gains, losses or profit shares that were previously recorded in the financial statements.

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**7.1 Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets that are managed within a business model other than the business model whose objective is achieved by holding contractual cashflows for collection and the business model whose objective is achieved by collecting and selling contractual cash flows. Also, in case that the contractual terms of financial assets do not give rise on specified dates to cash flows that are solely payments of principal and profit share on the principal amount, such assets are those that are, obtained with the aim of providing profit from the short-term price or other factor fluctuations in the market or are part of a portfolio aiming to obtain short-term profit, regardless of the reason of acquisition. Financial assets at fair value through profit or loss are initially recognized at fair value and subsequently remeasured at fair value. Gains and losses arising from the valuation are recognized in profit or loss.

**7.2 Financial assets at fair value through other comprehensive income**

A financial asset is classified as at fair value through other comprehensive income when the asset is managed within a business model whose objective is achieved by collecting contractual cash flows and selling the financial asset, as well as when the contractual terms of the financial asset give rise on specified dates to cash flows are solely payments of principal and profit share on the principal amount.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition costs that reflect the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with effective profit share method regarding the financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses,” which is the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income, are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, or the impairment of the asset. “Unrealized gains and losses” are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, are carried at fair value, in the case that the securities have a quoted market price in an active market and/or the fair values of the securities can be reliably measured. In contrary case, the securities are carried at cost, less provision for impairment.

During initial recognition an entity can make an irrevocable election regarding the presentation of the subsequent changes in the fair value of the investment in an equity instrument, that is not held for trading purposes, in the other comprehensive income. In the case that the entity elects to present the changes as described, dividends arising from the investment is accounted in the financial statements as profit or loss.

**7.3 Financial assets measured at amortized cost**

In the case that a financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and that the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and profit share on the principal amount, the financial asset is classified as financial asset measured at amortized cost.

Financial Assets Measured at Amortized Cost; are financial assets, other than loans and receivables, which are held for the purpose of custody until maturity, with conditions necessary for such assets to be held until contractual maturity met, including funding ability; and which have fixed or determinable payments and fixed maturities. Financial assets measured at amortized cost are initially recognized at cost and subsequently measured at amortized cost using the internal rate of return method. Profit share income related to Financial Assets measured at amortized cost is reflected in the income statement.

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**7.4 Derivative financial assets**

The major derivative instruments utilized by the Bank are foreign currency swaps, cross currency swaps and currency forwards.

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, the fair value amounts are classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss." The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by considering the market value of the derivatives or by using the discounted cash flow model.

**7.5 Loans**

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Profit Share Rate (internal rate of return) Method".

**8. Explanations on offsetting of financial assets and liabilities**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when the Bank's has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**9. Explanations on sale and repurchase agreements and lending of securities**

Central Bank of the Republic of Türkiye ("CBRT") made some changes on orders for open market transactions ("OMT") and prepared an additional frame contract for participation banks in order to present rent certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase rent certificates on their portfolio to CBRT when they need funding or in attempt to evaluate the excess liquidity. In this context, OMT were carried out with the CBRT for the first time on 14 June 2013, by subjecting the Treasury Lease Certificates, which were include in assets, to the repurchase transactions. From this date, the Bank performs sale transactions of treasury lease certificates that are recognized in the assets of the balance sheet in return for conditional repurchasing by tendering to purchase auctions held by CBRT with various maturities; and thusly raises funds.

As of 30 September 2024, the Bank has repurchased agreement amounting to TL 6,496,725 (31 December 2023 – TL 4,186,987).

**10. Explanations on assets held for sale and discontinued operations and related liabilities**

As mandated by the Banking Act 5411 Article 57 "banks cannot participate in commercial real-estate and commodity trade with the exception of real-estate and commodity based agreements within the scope of Capital Markets Act No. 2499, and precious metal trade as seen appropriate by the board, and cannot participate in partnerships with firms whose main business activity is commercial real-estate, with the exception of real-estate investment partnerships and companies that finance mortgaged residential estates. The rules and procedures regarding the sales of real-estate and commodities that were acquired due to receivables and debtors' obligations to the bank are determined by the board."

Assets that meet the criteria for classification as assets held for sale are measured at the lower of the carrying amount of assets and fair value less any costs to be incurred for disposal. Assets held for sale are not amortized and presented in the financial statements separately. In order to classify an asset as held for sale, the sale should be highly probable and the asset (or disposal Bank) should be available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset (or the disposal Bank) together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset (or the disposal Bank) should be actively in the market at a price consistent with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan. Various events and conditions may extend the completion period of the disposal over one year. If such delay arises from any events and conditions beyond the control of the entity and there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or disposal Bank) can

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**10. Explanations on assets held for sale and discontinued operations and related liabilities (cont'd)**

remain to be classified as assets (or disposal Bank) held for sale. Extension of the period necessary to complete the sale, does not avoid the classification of the related asset (or disposal Bank) to be classified as asset held for sale.

A discontinued operation is a part of the Bank's that either has been disposed of or is classified as held for sale. Discontinued operations are presented separately in the income statement. The Bank's has no discontinued operations.

**11. Explanations on goodwill and other intangible assets**

Intangible assets are stated at cost adjusted for inflation until 31 December 2004, less provision for impairment, if any, and accumulated amortization and amortized with straight-line method.

The other intangible assets of the Bank comprise mainly computer software. The useful lives of such assets acquired prior to 2004 have been determined as 5 years and for the year 2004 and forthcoming years, as 3 years. The amortization period of the licenses is determined on the basis of the duration of the license agreements.

**12. Explanations on tangible assets**

Fixed assets are stated at cost adjusted for inflation until 31 December 2004, less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual rates used for amortization are as follows:

Property	2%
Movables, leased assets	6.67% - 20%

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than one year as of the balance sheet date. Leasehold improvements are depreciated over the term of the lease agreements by straight-line method.

If the recoverable amount (the higher of value in use and fair value) of a tangible asset is less than its carrying value, impairment loss is provided and the carrying value is written down to its recoverable amount.

Gains or losses resulting from disposals of the fixed assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repair costs are capitalized if the expenditure increases economic life of the asset; other repair costs are expensed as incurred.

The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product, or to decrease the costs.

Property held for long-term rental yields and/or capital appreciation is classified as investment property. Investment properties are stated at cost less accumulated depreciation and any impairment. Depreciation expense is calculated using the straight-line method over the useful life of the related asset.

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**13. Explanations on leasing transactions**

For contracts concluded prior to 1 January 2019, the Bank assesses whether the contract has a lease qualification or include a lease transaction.

- (a) The right to obtain almost all of the economic benefits from the use of the leased asset and,
- (b) Whether the leased asset which has the right to manage its use is evaluated

The Bank has started implementing the TFRS 16 - Leases standard from 1 January 2019, the first date of the TFRS 16 standard. At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments are discounted by using the Bank's alternative borrowing profit rate.

**The right of the use asset**

The Bank reflects the existence of a right of use and a lease obligation to the financial statements at the date the lease is commenced.

The right to use asset is recognized first by cost method and includes the following:

- (a) The first measurement amount of the lease obligation,
- (b) The amount obtained by deducting all rental incentives received from all lease payments made at or before the date of the rental,

When the Bank applying cost method, the existence of the right of use:

- (a) Accumulated depreciation and accumulated impairment losses are deducted and
- (b) Measures the restatement of the lease obligation over the adjusted cost.

The Bank applies the depreciation liabilities in TAS 16 Tangible Assets while depreciating the right of use asset.

The Bank determines whether the right of use has been impaired and recognizes any identified impairment losses in accordance with TAS 36 Impairment of Assets.

**Lease liability**

At the effective date of the lease, the Bank measures the leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's alternative borrowing profit share rate.

The profit share on the lease liability for each period of the lease term is the amount found by applying a fixed periodic profit share rate to the remaining balance of the lease liability. Periodic profit share rate is the Bank's borrowing profit share rate.

After the beginning of a contract, the Bank remeasures its lease liability to reflect changes in lease payments. The Bank reflects the restatement amount of the lease obligation to the financial statements as revised in the presence of the right of use.

**14. Explanations on provisions and contingent liabilities**

Provisions and contingent liabilities are accounted for in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" (TAS 37).

Provisions are recognized when the Bank has a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

As per the "Matching Principle," a provision is provided for the liabilities arising as a result of past events in the period they arise, if it is probable that the liability will be settled and a reliable estimate for the liability amount can be made.

When a reliable estimate of the amount of the obligation cannot be made or it is not probable that an outflow of the Bank resources will be required to settle the obligation, the obligation is considered as a "Contingent" liability and is disclosed in the related notes to the financial statements.



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**15. Explanations on liabilities relating to employee benefits**

**15.1 Defined benefit plans**

In accordance with existing social legislation, the Bank is required to make severance pay to each employee who has completed over one year of service with the Bank and who retires or quits the employment to receive old age or disability benefits, to fulfil the compulsory military service, because of the marriage (for females) or because of the other compulsive reasons as defined in the laws and whose employment is terminated due to reasons other than resignation or misconduct.

Liabilities amount which is related to “Turkish Accounting Standard on Employee Benefits” (“TAS 19”) is reflected accompanying financial statements and these liabilities are calculated by an independent actuary firm. The Bank is accounted all actuarial profit and loss under Statement of other Comprehensive Income.

The Bank’s employees are not members of any pension fund, foundations, union or other similar entities.

**15.2 Defined contribution plans**

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees as mandated by the Social Security Association. The Bank has no further payment obligations other than this contribution share. The contributions are recognized as employee benefit expense when they are due.

**15.3 Short term benefits to employees**

In accordance with “TAS 19”, vacation pay liabilities are defined as “Short Term Benefits to Employees” and accrued as earned.

The Bank management calculates bonus accrual if it foresees that the budgeted year-end figures approved by the Board of Directors are attainable.

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**16. Explanations on taxation**

***Current tax***

According to Article 21 of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, starting from the declarations to be submitted as of 1 October 2023, the corporate tax rate of 25% on the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased from 25% to 30% to be applied to the earnings of the institutions in 2023 and the following taxation periods.

This rate is applied to the tax base to be found as a result of adding expenses that are not accepted as deductible in accordance with the tax laws to the commercial earnings of the corporations and deducting the exemptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid. Starting from the declarations that must be submitted as of 1 October 2023 in accordance with the tax legislation; It entered into force on 15 July 2023 to be applied to the corporate income in 2023 and subsequent taxation periods, and to the earnings of corporations subject to the special accounting period starting in the 2023 calendar year and the following taxation periods. The provisional tax rate will be paid at the rate of 30% on the bases formed as of quarterly periods, and the provisional taxes paid during the year are deducted from the corporate tax calculated on the annual corporate tax return of that year.

The exemption provided for the income obtained by institutions from other investment funds, except for the exception provided for the income obtained from the participation shares of venture capital investment funds and the shares of venture capital investment trusts, has been abolished. This regulation has entered into force to be applied to mutual fund participation shares acquired as of 15 July 2023.

Withholding taxes is not applied to dividends distributed to companies' resident in Türkiye or companies who earn income in Türkiye through their resident representatives in Türkiye. With the Council of Minister's decision numbered 2009/14593 and 2009/14594 which are published in official gazette numbered 27130 and dated 3 February 2009, some deduction rates in 15th and 30th articles of the corporate tax law numbered 5520 were re-determined. In accordance with this, dividends distributed to companies other than companies' resident in Türkiye or companies who earn income in Türkiye through their resident representatives in Türkiye are subject to 10% withholding taxes. Double tax treaty agreements are also taken into consideration during the application of withholding taxes on dividends distributed to real persons and to foreign-based taxpayers. Addition of profit to share capital is not considered as dividend distributed therefore no withholding taxes is applied.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç. Accordingly, corporate income tax has calculated with respect to revaluated real estate and depreciation units.

For the purpose of issuance of certificate of leasing immovables to resource institutions, with the sale of asset leasing companies, the scope of Financial Leasing, Factoring and Financing Companies Law No.6361, dated 21 November 2012 in order to lease it back and in case of taking back at the end of the contract, with the sale of financial leasing companies and asset leasing by asset leasing companies, for profit from the sale of the immovable property inherited from the institution applies this rate as 100% and for the immovable is not compulsory to be in assets at least for a period of two years. But the mentioned immovable's; except in case of failure to fulfil the obligations arising from the source institution, the lesser or leasing agreement, immovable in question by the asset leasing company, in case of selling a third person or institutions, these immovable's with the carrying value before its transfer to resource institution or asset leasing in lesser or asset leasing company, in mentioned institutions taking into consideration the total amount of depreciation is taxable for corporation engaged in the sale.

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**16. Explanations on taxation (cont'd)**

***Current tax (cont'd)***

Corporate tax returns are filed by the thirty days of the fourth month following the balance sheet date and taxes is paid in one instalment by the end of that month. Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. However, losses cannot be carried back to offset profits from previous periods. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments.

Profit/loss difference arising from inflation adjustment made by banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law dated 21 November 2021 and numbered 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods, including temporary tax periods, will not be taken into account in the determination of earnings.

***Deferred tax***

For taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, as per the provisions of “Turkish Accounting Standard on Income Taxes” (“TAS 12”), the Bank calculates deferred tax liability over all taxable temporary differences and deferred tax asset over taxable temporary differences, apart from the provisions for due to participation accounts Expected Credit Losses for 12-Months (Stage 1) and for due to participation accounts Lifetime Credit Losses (Stage 2) with significant increase in the credit risk after initial recognition, to the extent that is probable that taxable profit will be available in subsequent periods. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis. The tax effect regarding the items directly accounted in equity are also reflected in equity. Updated tax rates in the upcoming periods will be taken into account in the calculation of deferred tax assets and liabilities.

According to the provisional article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 30 September 2024, regardless of whether the conditions for inflation adjustment are met, are included in the deferred tax calculation as of 30 September 2024.

**17. Explanations on additional disclosures on borrowings**

Borrowings other than funds collected are measured at amortized cost using the internal rate of return method after the initial recognition. The Bank does not apply hedging techniques on related borrowings.

The Bank has not issued convertible bonds.

**18. Explanations on share certificates issued**

There is no significant amount of transaction costs on Bank about share certificates.

**19. Explanations on acceptances and availed drafts**

Acceptances and availed drafts are realized simultaneously with the payment dates of the customers, and they are presented as commitments in off-balance sheet accounts.

**20. Explanations on government grants**

There are no government grants received by the Bank.

**21. Explanations on segment reporting**

The Bank conducts its activities in three separate segments: Corporate and Commercial Banking, Retail Banking, Treasury and International Banking. Each department serves with its own products and the results of the activities are monitored on the basis of these departments.

Segment reporting is disclosed in Section Four, Note 14.

**22. Explanations on other matters**

The Bank has no disclosures on other matters.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK**  
**MANAGEMENT OF THE BANK**

**1. Explanations on consolidated equity items**

Shareholders' equity and capital adequacy ratio were calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”. As of 30 September 2024, the Bank's total shareholders' equity is calculated as TL 87,185,444 (31 December 2023: TL 66,892,662), and the capital adequacy ratio is 21.27% (31 December 2023: 25.27%).

On 23 March 2020, the BRSA issued a press release stating that there were fluctuations in financial markets due to the COVID-19 pandemic. Therefore, in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy, as per the BRSA's Decision No. 10496 dated 31 January 2023, when calculating credit risk based amounts, the amounts of non-monetary assets, excluding items denominated in foreign currency measured at historical cost and in accordance with Turkish Accounting Standards, and their related specific provision amounts shall be calculated using the Central Bank of the Republic of Türkiye's (CBRT) foreign currency buying rate as of 30 December 2022, unless otherwise decided by the Board, and in accordance with the decision of 1 January 2024 using the CBRT's foreign currency buying rate as of 26 June 2023, until a contrary Board decision is made.

Furthermore, within the scope of the regulations announced by the BRSA on 12 December 2023, if the net valuation differences of the securities in the portfolio of marketable securities accounted for in other comprehensive income are negative, the possibility has been granted to not take into account these differences in the equity amount to be used for the capital adequacy ratio.

The Bank's legal capital adequacy ratio calculation has been made by taking into account the regulation changes mentioned above as of 30 September 2024.

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**1.1 Explanations on the components of shareholder's equity**

	Current Period Amount	Prior Period Amount
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	4,952,205	4,600,000
Share issue premiums	6,373,506	23,250
Reserves	42,204,075	18,253,903
Gains recognized in equity as per Turkish Accounting Standards (TAS)	438,538	386,210
Profit	24,466,489	26,669,989
Current Period Profit	24,405,871	26,609,371
Prior Periods' Profit	60,618	60,618
Shares acquired free of charge from associates, subsidiaries and joint ventures and cannot be recognized within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>78,434,813</b>	<b>49,933,352</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	-	-
Common Equity as per the (i) clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	5,724,481	1,284,744
Improvement costs for operating leasing	366,844	238,694
Goodwill remaining after offsetting with the relevant deferred tax liability	-	-
Other intangible assets remaining after offsetting with the related deferred tax liability, excluding the rights to provide mortgage service	2,039,076	925,513
The remaining part of the deferred tax asset based on taxable income to be obtained in future periods, excluding the deferred tax assets based on temporary differences, after deducting with the related deferred tax liability	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	513,980	513,980
Direct and indirect investments of the Bank in its own Common Equity	4,869	4,869
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns more than 10% of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>8,649,250</b>	<b>2,967,800</b>
<b>Total Common Equity Tier I Capital</b>	<b>69,785,563</b>	<b>46,965,552</b>

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<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in common equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	1,706,866	7,358,175
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>1,706,866</b>	<b>7,358,175</b>
<b>Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other Items to be defined by the BRSA	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	<b>-</b>	<b>-</b>
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>1,706,866</b>	<b>7,358,175</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>71,492,429</b>	<b>54,323,727</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	11,948,062	10,301,445
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	3,936,880	2,316,841
<b>Tier II Capital Before Deductions</b>	<b>15,884,942</b>	<b>12,618,286</b>
<b>Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
Direct and indirect investments of the bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>15,884,942</b>	<b>12,618,286</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>87,377,371</b>	<b>66,942,013</b>

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<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>		
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	185,634	48,494
Other items to be defined by the BRSA	6,293	857
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier1 capital for the purposes of the first and second sub-paragraph of the first paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	87,185,444	66,892,662
Total Risk Weighted Assets	409,990,065	264,700,050
<b>CAPITAL ADEQUACY RATIOS</b>		
CET 1 Capital Ratio (%)	17.02	17.74
Tier I Capital Ratio (%)	17.44	20.52
Capital Adequacy Ratio (%)	21.27	25.27
<b>BUFFERS</b>		
Total additional core capital requirement ratio	2.52	2.52
Capital conservation buffer requirement (%)	2.50	2.50
Bank specific countercyclical buffer requirement (%)	0.02	0.02
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	11.44	13.24
<b>Amounts Lower than Excesses as per Deduction Rules</b>		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand	6,077,794	7,948,868
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	3,936,880	2,316,841
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)</b>		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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<b>Information on debt instruments to be included in equity calculation:</b>		
Issuer	KT AT One Company Limited	KT21 T2 Company Limited
Instrument Code (CUSIP, ISIN vb.)	XS2227803819	XS2384355520
Legislation to which the Instrument is subject	BRSA regulation on Shareholders ' Equity	BRSA regulation on Shareholders ' Equity
<b>Consideration In Equity Calculation</b>		
Subject to consideration application reduced by 10% from 1/1/2015	Not Being Subject	Not Being Subject
Validity on a consolidated or unconsolidated basis or both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis	Current on both consolidated and unconsolidated basis
Instruments Type	Subordinated Sukuk (Additional Tier I Capital)	Subordinated Sukuk (Tier II Capital)
Amount taken into account in equity calculation (as of last reporting date-TL million)	1,707	11,948
Nominal value of the Instrument (TL million)	1,707	11,948
The account in which the Instrument is followed accounting	34701103	34700103
Export date of the Instrument	28/09/2020	16/09/2021
Maturity structure of the Instrument (demand/term)	Demand	10 Years and 3 Months Term
Initial maturity of the Instrument	5 Years (Due Date: 28/09/2025)	10 Years and 3 Months (Due Date:16/12/2031)
Whether the issuer has the right to refund subject to BRSA approval	Yes	Yes
Date of repayment option, contingent repayment options and amount to be paid back	28/09/2025 - Complete	16/12/2031 - Complete
Subsequent repayment option dates	28/09/2025	16/12/2031
<b>Dividend payments</b>		
Fixed or variable dividend payments	Fixed Dividend payments	Fixed Dividend payments
Dividend ratio and index value for dividend ratio	9.95%	6.13%
Whether there are any restrictions that stop paying dividends	None	None
The ability to be completely optional, partially optional or mandatory	Mandatory	Mandatory
Whether there is an element to encourage repayment, such as a dividend rate hike	None	None
Non-accumulative or cumulative property	Noncumulative	Noncumulative
<b>Ability to convert to stock</b>		
Trigger events/events that would cause conversion if converted to stock	Cannot be converted into stock	Cannot be converted into stock
Fully or partially convert property if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
If it can be converted to stock, the conversion rate	Cannot be converted into stock	Cannot be converted into stock
Forced or optional conversion property, if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
Types of convertible Instruments if convertible to stock	Cannot be converted into stock	Cannot be converted into stock
Issuer of the debt instrument to be converted if it can be converted to stock	Cannot be converted into stock	Cannot be converted into stock
<b>Value reduction feature</b>		
Trigger events/events to cause reduction if value reduction is enabled	No Value Reduction	No Value Reduction
If it has a value reduction feature, it has a total or partial value reduction feature	No Value Reduction	No Value Reduction
If the value reduction property is continuous or transient	No Value Reduction	No Value Reduction
If the value can be temporarily reduced, the value increment mechanism	No Value Reduction	No Value Reduction
In the case of liquidation, which is in the order in respect of the right of receivables (the instrument which is located just above this instrument of borrowing))	Tier - 1	Tier - 2
Whether or not the provisions of Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None	None
Which of the conditions contained in Articles 7 and 8 of the regulation on the shareholders ' equity of the banks are not met	None	None



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**1.2 Approaches applied to assess the adequacy of internal capital requirement in terms of current and future activities**

Internal evaluation process is established for continuously evaluating and maintaining the types, components and distribution of the adequate level of capital in order to provide for various risks exposed to or to be exposed to. The final purpose of the evaluation process of the internal capital requirement, is to define and evaluate all the risks included or not in the calculations of the legal capital requirements, within the frame of the activities of the Bank, and to provide the availability of adequate capital in order to cover these risks and the application of the risk management techniques. The results obtained in this evaluation process by taking into consideration, the Banks' growth strategy, assets-liabilities structure, funding sources, liquidity position, foreign currency position, the effect of the price and market fluctuations on the capital, which are among the variables of the economy, aim to provide the continuity of the mentioned capital adequacy level at the determined level in compliance with the Banks' risk profile and risk appetite.

Within this scope, capital structure is reviewed as based on the frame of the activities and risks exposed to, and the internal capital requirement, probable to occur within the direction of targets and strategies of the Bank is evaluated. This evaluation includes interest rate risk, concentration risk, liquidation risk, reputation risk, residual risk, country risk and strategic risk arising of the banking books as well as market, credit and operational risks. Capital requirement internal evaluation is evaluated to be a developing process and the development areas for the future period are determined and plans are prepared.

**2. Explanations and disclosures related to credit risk**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

**3. Explanations on currency risk**

Foreign currency risk represents the Bank's exposure to loss due to the changes in foreign currency exchange rates. All foreign currency assets, liabilities and foreign currency forward transactions are considered in calculation of capital to be employed for foreign currency risk according to standard method. The "standard method" and the "value at risk method" used in legal reporting are used to measure the exchange rate risk of the Bank. Measurements made under the standard method are carried out on a monthly basis and measurements made under the risk-exposed Value Method are carried out on a daily basis.

The Bank monitors daily the designated limits set by the Board of Directors and additionally observes the possible value changes in foreign currency positions. The limits are determined and followed both for the net foreign currency position and for the cross-exchange rate risk within the position. As a tool of foreign currency risk management, foreign currency forward transactions are used when necessary to mitigate the risk.

As of 30 September 2024, the Bank has an open position of TL 3,915,339 (31 December 2023 - TL 1,267,554 open) consisting of TL 15,516,845 balance sheet open position (31 December 2023 - TL 21,084,887 open) and TL 11,601,506 off-balance sheet closed position (31 December 2023 - TL 19,817,333 closed).

The announced current foreign exchange buying rates of the Bank on the date of the financial statements and the previous five working days are as follows (full TL):

	23/09/2024	24/09/2024	25/09/2024	26/09/2024	27/09/2024	Balance sheet valuation rate
<b>USD</b>	34.10596	34.09983	34.09213	34.10672	34.04798	34.13732
<b>EUR</b>	37.92903	37.95798	38.15700	38.02018	38.00673	38.17467
<b>GBP</b>	45.36176	45.58687	45.64222	45.56625	45.59472	45.72825
<b>CHF</b>	40.10951	40.21155	40.27156	40.18847	40.3269	40.48516
<b>JPY</b>	0.23728	0.23646	0.23673	0.23582	0.2377	0.23947

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days preceding the balance sheet date are as follows (full TL):

	FC Purchase Rate
<b>USD</b>	33.97520
<b>EUR</b>	37.75599
<b>GBP</b>	44.93603
<b>CHF</b>	40.11755
<b>JPY</b>	0.23745

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**Currency risk of the Bank**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye. (****)	22,725,556	59,190,818	50,260,478	132,176,852
Banks (*****)	2,637,276	12,828,011	40,013,569	55,478,856
Financial assets at fair value through profit and loss	752,165	14,887,395	4,516,871	20,156,431
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	468,772	12,848,458	-	13,317,230
Loans and finance lease receivables (*)	71,605,374	111,574,960	56,538	183,236,872
Subsidiaries, associates and joint ventures (**)	1,592,030	-	-	1,592,030
Financial assets at amortized cost	-	24,465,866	-	24,465,866
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	5,160	-	5,160
Intangible assets	-	269	-	269
Other assets	228,909	186,819	11,485	427,213
<b>Total Assets</b>	<b>100,010,082</b>	<b>235,987,756</b>	<b>94,858,941</b>	<b>430,856,779</b>
<b>Liabilities</b>				
Current account and funds collected from Banks via participation accounts	322,726	798,147	1,529,707	2,650,580
Current and profit-sharing accounts FC (****)	46,461,180	117,934,901	134,701,124	299,097,205
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	15,929,922	111,076,642	9,209,846	136,216,410
Marketable securities issued	-	-	-	-
Miscellaneous payables	1,815,836	2,405,332	527,580	4,748,748
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (*****)	1,757,895	1,771,478	131,308	3,660,681
<b>Total Liabilities</b>	<b>66,287,559</b>	<b>233,986,500</b>	<b>146,099,565</b>	<b>446,373,624</b>
Net balance sheet position	33,722,523	2,001,256	(51,240,624)	(15,516,845)
Net off-balance sheet position	(38,258,609)	(1,481,033)	51,341,148	11,601,506
Receivables from derivative financial instruments	5,773,547	41,568,842	67,451,722	114,794,111
Payables from derivative financial instruments	44,032,156	43,049,875	16,110,574	103,192,605
Non-cash loans (***)	9,592,619	18,793,738	3,796,173	32,182,530
<b>Prior Period</b>				
<b>Total assets</b>	83,270,665	173,940,921	68,203,590	325,415,176
<b>Total liabilities</b>	53,405,606	197,331,345	95,763,112	346,500,063
Net balance sheet position	29,865,059	(23,390,424)	(27,559,522)	(21,084,887)
Net off-balance sheet position	(33,147,473)	25,234,458	27,730,348	19,817,333
Receivables from derivative financial instruments	3,239,837	35,652,884	33,511,823	72,404,544
Payables from derivative financial instruments	36,387,310	10,418,426	5,781,475	52,587,211
Non-cash loans (***)	7,016,775	15,086,815	1,613,476	23,717,066

(\*) Includes foreign currency indexed loans amounting to TL 1,112,235 (31 December 2023 – TL 1,467,641) followed as TL on the balance sheet and expected credit loss amounting to TL 5,271,201.

(\*\*) TL 1,592,030 (31 December 2023 - TL 1,592,030) of the subsidiaries amounting to TL 3,922,925 in the balance sheet include foreign currency subsidiaries and associates.

(\*\*\*) Does not have any effect to the net off-balance sheet position.

(\*\*\*\*) Precious metals are included in "Other FC" column.

(\*\*\*\*\*) Other liabilities at fair value through TL 163,285 in the calculation of profit / loss of securities are not included in the foreign currency risk of impairment provisions. It also includes a provision for foreign currency indexed loans amounting to TL 10,689.

(\*\*\*\*\*\*) Includes provisions for expected losses amounting to TL 1,941 were deducted from the cash values and the relevant lines from the Central Bank and Banks accounts.

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Foreign currency amounts that are not included in the currency risk table due to the legislation related to calculation of foreign currency net position to equity standard ratio, are explained by their gradation in the financial statements below;

- Derivative financial assets held for trading: TL 5,512,755 (31 December 2023 – TL 463,472)
- Prepaid expenses: TL 1,147 (31 December 2023 – TL 2,893)
- Derivative financial liabilities held for trading: TL 408,897 (31 December 2023 – TL 877,957)
- Marketable securities of FC revaluation reverse: TL (437,824) (31 December 2023 – TL (240,265))
- Derivative financial liabilities held for hedging: None (31 December 2023 – None)

Receivables/Payables related to derivative financial instruments include foreign currency purchase/sale transactions and forward precious metal purchases that are amounting to.

- Foreign exchange buying transactions with value date: TL 8,090,884 (31 December 2023 – TL 3,285,216)
- Foreign exchange sales transactions with value date: TL 9,782,383 (31 December 2023 – TL 4,297,764)
- Precious metal purchase transactions: TL 65,419,830 (31 December 2023 – TL 29,870,800)
- Precious metal sales transactions: TL 5,285,735 (31 December 2023 – TL 4,593,906)

**Currency risk sensitivity**

The Bank is mainly exposed to foreign currency risk in EURO, USD and GOLD.

The following table shows the Bank's sensitivity to 10% change in both USD, Euro and Gold exchange rate.

	% changes on foreign currency	Effects on Profit / Loss		Effects on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10%	52,022	184,403	485,361	431,111
EURO	10%	(453,609)	(328,241)	(452,622)	(316,871)
Gold	10%	1,017,085	456,113	1,017,085	456,113

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**4. Explanations related to stock position risk**

**4.1 Relation of risks with gains accounted under equity and analyzing according to their aims including strategic reasons and the accounting policies applied and general information about valuation techniques with assumptions in this application, the elements that manipulate valuation and important changes**

The Bank's non-quoted securities are accounted for fair value. When the fair value cannot be reliably measured, the cost method is used.

**4.2 Carrying value of share investments, for fair value and quoted securities, comparison with market value if market value is significantly different from fair value**

<b>Current Period</b>		<b>Comparison</b>	
<b>Equity Securities Investments</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Market Value</b>
<b>Securities at fair value through other comprehensive income</b>	<b>429,684</b>	-	<b>429,684</b>
Quoted securities	-	-	-
<b>Investments in Associates</b>	-	-	-
Quoted securities	-	-	-
<b>Investment in Subsidiaries</b>	<b>3,922,925</b>	<b>2,203,080</b>	<b>2,203,080</b>
Quoted securities	53,418	2,203,080	2,203,080
<b>Other</b>	<b>20,000</b>	-	-
Quoted securities	-	-	-

<b>Prior Period</b>		<b>Comparison</b>	
<b>Equity Securities Investments</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Market Value</b>
<b>Securities at fair value through other comprehensive income</b>	<b>301,759</b>	-	<b>301,759</b>
Quoted securities	-	-	-
<b>Investments in Associates</b>	-	-	-
Quoted securities	-	-	-
<b>Investment in Subsidiaries</b>	<b>3,192,925</b>	<b>1,980,000</b>	<b>1,980,000</b>
Quoted securities	53,418	1,980,000	1,980,000
<b>Other</b>	<b>20,000</b>	-	-
Quoted securities	-	-	-

**4.3 Realized gains/losses, revaluation surplus, unrealized gains/losses on equity securities and results included in core and supplementary capitals**

None.

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**5. Liquidity risk management and liquidity coverage ratio**

The liquidity risk of the Bank is the risk of being unable to fulfil its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities. It has been evaluated in two main categories:

**Funding Liquidity Risk:** It is a kind of risk which does not meet the any unexpected loss and non defaulting debts and liabilities.

**Market Liquidity Risk:** It is a kind of risk which consists of the position that cannot be sold without affecting market price due to insufficient market depth or market conditions' deterioration or that cannot be completed with the position of market price for any reasons.

Liquidity risk is managed by the Asset - Liability Committee (ALCO) and related business units within the framework of the Liquidity Risk Policy and risk appetite approved by the Board of Directors. In liquidity risk management, the measures to be taken and the practices to be carried out are determined by taking into account normal economic conditions and stress conditions. The Bank defines liquidity risk, measures risks with liquidity risk measurement methods in accordance with international standards, monitors them and periodically presents them to the interested parties. Liquidity risk stress tests are performed during monthly periods. An emergency funding plan (liquidity contingency plan) has been created to regulate the procedures and principles for the Bank to maintain and maintain adequate liquidity levels under stress conditions.

**5.1 Information on risk capacity of the Bank, Responsibilities and structure of liquidity risk management, the Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application**

The applications and responsibilities related to the liquidity risk has been determined according to the Treasury Liquidity and Market Management Policies and Practices approved by Board of Directors. The Bank's liquidity and funding policy is to own sufficient liquidity reserve and funding opportunities to meet its liabilities even in cases of stress, resulting from the market conditions or other conditions specific to the Bank.

The Bank has a strong capital structure and is supported by its main shareholder is Kuwait Finance House; also its current and participation accounts are spread to the base and are stable, and its sources of foreign borrowing are diversified. Hence, by the virtue of the aforementioned facts, the Bank has a high risk capacity. In addition, the Liquidity Coverage Ratio of the Bank which insures its cash outflows with the high-quality liquid assets is deemed high. The Bank also has limits available for use at Central Bank of Türkiye and other financial institutions.

Indicators regarding the liquidity position are analyzed and liquidity risk is evaluated at the ALCO meetings attended by the senior management. Furthermore, the Board of Directors are informed through the Audit Committee.

For the management of liquidity risk, the Risk Management Department follows the funding and liquidity risks, market conditions, in the participating accounts, the distribution of different currencies, maturity, cost and expected future cash flow requirements (particularly with regard to large deposits). Reports on the liquidity gap analysis prepared weekly by Budget and Management Reporting and monitored by the Asset and Liability Committee. These units also estimate the possible liquidity needs of the Bank in case of urgent situations and generate action plans based on these estimates. Risk Management Department follows the limits on liquidity risk determined by the Board of Directors. Risk Management Department, in addition to these, is implementing monthly liquidity stress tests to measure the effects of negative scenarios on liquidity position of the Bank. The Treasury Bank Management manages the liquidity risk and funding risk in order to prevent insufficiencies of funding relating to any time or any source and makes reports related with the liquidity position to Asset and Liability Committee regularly. Official and International Reporting Directorate tracks the liquidity coverage ratio and the results are reported to the BRSA.

**5.2 Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries**

The Bank's liquidity management is performed by the Asset and Liability Management. Depending on the Bank's consolidated subsidiaries are subject to liquidity risk is managed in-house, but the necessary communication and coordination within the Assistant General Manager in charge of Treasury and International Banking are provided.

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**5.3 Information on the Bank's funding strategy including the policies on funding types and variety of maturities**

Bank spread to the base of current and participation accounts and that a stable, long-term diversification and aims to be the source of the funds used. Ratio of liquid assets to total assets ratio and risk indicators related to liquidity, credit and the ratio of funds, issues such as the concentration in collected funds are being closely monitored.

**5.4 Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities**

Almost all liabilities of the Bank are denominated in Turkish Lira, American Dollar, Euro or Gold. The TL denominated liquidity of the Bank is managed through the open market transactions implemented by the Central Bank of the Turkish Republic and interbank operations. Liabilities denominated in TL are used in order to fund assets that are denominated in TL, assets denominated in TL are generated through foreign exchange based funds with swap operations if necessary. Foreign currency funds are provided with the foreign sourced credits denominated in foreign currency and sukuk-financial certificates issued. Liquidity denominated in foreign currency is kept at the interbank operations and accounts of the corresponding bonds within the limits. Liabilities denominated in Gold are kept at the required reserve accounts of the Central Bank of the Turkish substantially.

**5.5 Information on liquidity risk mitigation techniques**

Liquidity risk is mitigated by using techniques such as maintaining high quality liquid asset buffer to cover possible fund outflows, diversification of funding sources so far as possible and inclusion to the base, homogenizing the maturity distribution of repayments as far as possible, obtaining limits from funding institutions to use when necessary and ensuring that a determined portion of funding sources are comprised of deposits. In addition, core deposit analysis is performed and concentration on collected funds are closely monitored.

**5.6 Information on the use of stress tests**

In order to analyze the source of the possible liquidity insufficiencies and whether conformably move exists on existing off-balance sheet and balance sheet positions relevant with liquidity risk expectation, 3 types of liquidity stress tests are applied by Risk Management Directorate. These includes stress test scenarios are special to the Bank, related with the overall market or scenarios take in consideration both of the situations. Stress tests related with liquidity risk are repeated at monthly periods. Results are tracked with key risk indicators and monitored by Senior Management.

**5.7 General information about the contingency funding plan**

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Contingency Funding Plan, which is approved and reviewed every year by the Executive Risk Committee. The actions to be taken favour the benefits of depositors, creditors of the Bank and shareholders. Indicators of Contingency Funding Plan were determined, in case of unexpected progress at the liquidity situation occur or at situations trigger of other indicators, plan is put into use. After Liquidity Contingency Plan is put into use, Liquidity Contingency Management Committee is responsible from the determination of actions to be taken.

**5.8 Presentation of financial liabilities according to contractual maturities**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

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**5.9 Liquidity coverage ratio**

Current Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
1	High quality liquid assets	204,820,845	126,278,394	204,180,558	125,638,107
<b>CASH OUTFLOWS</b>					
2	Retail and small business customers, of which;	187,172,492	22,360,903	16,151,617	2,236,091
3	Stable deposits	51,312,648	-	2,565,632	-
4	Less stable deposits	135,859,844	22,360,903	13,585,985	2,236,091
5	Unsecured debts other than real person deposits and retail deposits	108,617,769	58,470,759	54,455,088	27,808,476
6	Operational deposit	-	-	-	-
7	Non-operational deposits	95,996,036	53,890,569	41,833,355	23,228,286
8	Other unsecured funding	12,621,733	4,580,190	12,621,733	4,580,190
9	Secured funding	-	-	-	-
10	Other cash outflows	149,938,784	136,679,285	149,938,784	136,679,285
11	Derivative liabilities and collateral fulfilment obligations	69,823,397	59,868,737	69,823,397	59,868,737
12	Obligations related to structured financial products	80,115,387	76,810,548	80,115,387	76,810,548
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	153,992,630	29,916,814	12,705,629	1,548,186
16	<b>TOTAL CASH OUTFLOWS</b>			<b>233,251,118</b>	<b>168,272,038</b>
<b>CASH INFLOWS</b>					
17	Secured lending	-	-	-	-
18	Unsecured lending	92,795,112	61,967,040	71,344,114	54,620,150
19	Other cash inflows	70,324,083	61,539,005	70,324,083	61,539,005
20	<b>TOTAL CASH INFLOWS</b>	<b>163,119,195</b>	<b>123,506,045</b>	<b>141,668,197</b>	<b>116,159,155</b>
				<b>Upper Limit Applied Value</b>	
21	<b>TOTAL HQLA STOCK</b>			<b>204,180,558</b>	<b>125,638,107</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>91,582,921</b>	<b>52,112,883</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>222.95</b>	<b>241.09</b>

(\*) The simple arithmetic average of the values calculated by taking the weekly simple arithmetic average for the last three months.

For the period 1 January - 30 September 2024, the lowest, highest and average liquidity coverage ratios calculated on a monthly basis are presented in the table below:

	Highest	Date	Lowest	Date	Average
TL+FC	254.34	09/08/2024	204.09	12/07/2024	223.47
FC	257.70	05/07/2024	219.59	12/07/2024	241.59

The liquidity coverage rate is calculated by the proportion of high-quality liquid assets held by the Bank to its one-month maturity cash outflows. Important balance sheet items that determine the rate; Compulsory provisions held by the CBRT, repo / non-repurchase securities, institutional qualified participation accounts, funds from abroad and receivables from banks. These items have more impact on the liquidity coverage ratio than the liquidity assets and net cash outflows because they have a high share of the current cointegration, high concentration and variability over time.

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Prior Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
1	High quality liquid assets	149,692,759	106,115,730	148,013,228	104,436,199
<b>CASH OUTFLOWS</b>					
2	Retail and small business customers, of which;	139,366,606	21,003,274	12,192,644	2,100,327
3	Stable deposits	34,880,322	-	1,744,016	-
4	Less stable deposits	104,486,284	21,003,274	10,448,628	2,100,327
5	Unsecured debts other than real person deposits and retail deposits	77,087,295	39,204,140	41,781,188	18,418,520
6	Operational deposit	-	-	-	-
7	Non-operational deposits	64,891,160	36,809,211	29,585,053	16,023,591
8	Other unsecured funding	12,196,135	2,394,929	12,196,135	2,394,929
9	Secured funding	-	-	-	-
10	Other cash outflows	102,296,809	92,683,353	102,296,809	92,683,353
11	Derivative liabilities and collateral fulfilment obligations	49,890,031	41,131,776	49,890,031	41,131,776
12	Obligations related to structured financial products	52,406,778	51,551,577	52,406,778	51,551,577
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	95,352,408	22,769,425	8,919,635	1,616,333
16	<b>TOTAL CASH OUTFLOWS</b>			<b>165,190,276</b>	<b>114,818,533</b>
<b>CASH INFLOWS</b>					
17	Secured lending	-	-	-	-
18	Unsecured lending	62,169,819	34,222,350	47,108,399	29,405,640
19	Other cash inflows	49,892,927	48,054,740	49,892,927	48,054,740
20	<b>TOTAL CASH INFLOWS</b>	<b>112,062,746</b>	<b>82,277,090</b>	<b>97,001,326</b>	<b>77,460,380</b>
				<b>Upper Limit Applied Value</b>	
21	<b>TOTAL HQLA STOCK</b>			<b>148,013,228</b>	<b>104,436,199</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>68,188,950</b>	<b>37,358,153</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>217.06</b>	<b>279.55</b>

(\*) The simple arithmetic average of the values calculated by taking the weekly simple arithmetic average for the last three months.

For the period 1 October – 31 December 2023, the lowest, highest and average liquidity coverage ratios calculated on a monthly basis are presented in the table below:

**Prior Period**

	Highest	Date	Lowest	Date	Average
TL+FC	265.41	27/10/2023	184.50	22/12/2023	222.04
FC	356.13	08/12/2023	237.86	10/11/2023	283.75

The liquidity coverage ratio is calculated by the ratio of the high-quality liquid assets of the Bank to the net cash outflows within the one-month maturity window. Important balance sheet items which are influential over the ratio may be specified as required reserves held in the presence of CBRT, securities not subject to repo/assurance, institutional qualified participation accounts, funds of foreign origins and receivables from banks. These items have a higher influence over the liquidity coverage ratio as their amounts have a higher share of liquid assets and net cash outflows, their consideration rate is higher, and they may show variability over time.



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**5.10 Presentation of assets and liabilities according to their remaining maturities**

End of Current Period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated (***)	Total
<b>Assets</b>								
Cash (cash in vault, effectives, cash in transit, Cheques purchased) and balances with the Central Bank of the Republic of Türkiye	92,197,661	96,328,357	-	-	-	-	(1,665)	188,524,353
Banks (*)	55,508,481	-	-	-	-	-	(994)	55,507,487
Financial assets at fair value through profit and loss	-	1,844,852	419,373	429,165	10,613,571	3,991	19,882,465	33,193,417
Money market placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	5,762,204	459,708	2,209,042	34,087,926	8,168,679	429,682	51,117,241
Loans (**)	-	94,945,220	70,631,413	158,737,524	87,063,907	4,900,156	(8,412,440)	407,865,780
Financial assets measured at amortized cost	-	3,313,234	-	-	42,503,960	9,124,398	(15,214)	54,926,378
Other assets (***)	867,454	10,013,410	30,454	-	6,411,181	-	17,216,543	34,539,042
<b>Total Assets</b>	<b>148,573,596</b>	<b>212,207,277</b>	<b>71,540,948</b>	<b>161,375,731</b>	<b>180,680,545</b>	<b>22,197,224</b>	<b>29,098,377</b>	<b>825,673,698</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	2,840,681	42	-	-	-	-	-	2,840,723
Current and profit sharing accounts	311,692,755	149,724,952	51,805,995	33,981,609	5,864,740	7,588	-	553,077,639
Funds provided from other financial institutions	-	87,942,876	27,111,896	26,446,331	8,651,814	12,159,831	-	162,312,748
Money market borrowings	-	6,496,725	-	-	-	-	-	6,496,725
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	6,176,362	1,415,381	-	-	-	-	-	7,591,743
Other liabilities (****)	-	11,108,363	1,583,152	749,641	751,504	67,773	79,093,687	93,354,120
<b>Total Liabilities</b>	<b>320,709,798</b>	<b>256,688,339</b>	<b>80,501,043</b>	<b>61,177,581</b>	<b>15,268,058</b>	<b>12,235,192</b>	<b>79,093,687</b>	<b>825,673,698</b>
Net liquidity gap	(172,136,202)	(44,481,062)	(8,960,095)	100,198,150	165,412,487	9,962,032	(49,995,310)	-
<b>Prior Period</b>								
<b>Total Assets</b>	83,853,869	144,172,044	92,314,620	152,248,156	149,395,521	30,992,721	15,191,284	668,168,215
<b>Total liabilities</b>	246,583,362	201,196,636	73,369,643	75,351,277	7,720,723	10,392,928	53,553,646	668,168,215
Net liquidity gap	(162,729,493)	(57,024,592)	18,944,977	76,896,879	141,674,798	20,599,793	(38,362,362)	-

(\*) Expected losses are netted off with provision.

(\*\*) Includes receivables from leasing transactions and presented with netting off with the expected credit loss.

(\*\*\*) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash soon, such as tangible assets, investments in associates and subsidiaries, stationary supplies and prepaid expenses are included under unallocated assets.

(\*\*\*\*) The unallocated other liabilities consist of equity and provisions balances.

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**5.11 Net stable funding ratio**

The net stable funding ratio (NSFR) is calculated by dividing the available stable funding amount by the required stable funding amount. Available stable funding is the portion of banks' liabilities and equity expected to be permanent, while required stable funding is the portion of banks' on-balance sheet assets and off-balance sheet liabilities expected to be refinanced.

The amount of available stable funds is calculated by adding the amounts to be found after applying the relevant consideration rates determined in accordance with the legislation to the amounts of the banks' liabilities and equity components valued in accordance with TFRS. The required amount of stable funds is calculated by adding the amounts calculated by deducting the specific provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be set aside from the amounts of banks' on-balance sheet assets and off-balance sheet liabilities valued in accordance with TFRS, after applying the relevant consideration rates determined in accordance with the legislation.

The three-month simple arithmetic average of the consolidated and unconsolidated NSFR calculated monthly as of the equity calculation periods cannot be less than 100% as of March, June, September and December.

The simple arithmetic average of the Net Stable Funding Rate for the last three months including September 2024 was 129.49% (31 December 2023 - 166.61%). As of 30 September 2024, the current stable fund amount in our bank's consolidated Net Stable Funding Table is TL 613,508,555 (31 December 2023 - TL 519,299,348), while the required stable fund amount is TL 473,806,326 (31 December 2023 - TL 311,681,380) and our Net Stable Funding Rate is 129.49% (31 December 2023 - 166.61%).

Current Period		a	b	c	ç	d
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
Available Stable Fund						
1	Equity Items	91,850,515	-	-	-	91,850,515
2	Tier 1 and Tier 2 capital	91,850,515	-	-	-	91,850,515
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	295,428,234	219,359,151	16,750,735	1,474,712	503,506,349
5	Stable deposit/participation fund	258,213,919	201,022,142	15,706,164	953,781	452,101,206
6	Low stable deposit/participation fund	37,214,315	18,337,009	1,044,571	520,931	51,405,143
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	9,189,773	126,600,541	23,992,791	-	11,996,395
12	Derivative liabilities				-	
13	Other equity items and liabilities not included above	55,149,349	-	-	6,155,296	6,155,296
14	<b>Available Stable Fund</b>					<b>613,508,555</b>
<b>Required Stable Funding</b>						

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15	High-quality liquid assets					2,656,927
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	24,068,162	119,572,691	72,361,570	232,560,414	313,552,058
18	Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	10,016	6,848,575	-	-	1,028,789
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	6,217,362	110,846,179	72,361,570	216,220,262	284,553,189
21	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	16,190,412	10,523,768
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	<i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	17,840,784	1,877,937	-	149,740	17,446,312
25	Assets equivalent to interconnected liabilities					
26	Other assets	130,530,960	24,447,098	-	25,771,730	153,239,941
27	Commodities with physical delivery including gold	11,587,444				9,849,327
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				2,111,679	2,111,679
30	Derivative liabilities before deduction of variation margin				22,335,419	22,335,419
31	Other assets not included above	118,943,516	-	-	25,771,730	118,943,516
32	Off-balance sheet payables		87,148,046	-	-	4,357,400
33	<b>Required Stable Funding</b>					<b>473,806,326</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>129.49</b>

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Prior Period		a	b	c	ç	d
		Unadjusted Amount According to Remaining Maturity				Total Amount Applied Consideration Rate
		Demand	Less than 6 Months	6 Months and Longer than 6 Months Less than 1 Year	1 Year and More than 1 Year	
Available Stable Fund						
1	Equity Items	65,445,120	-	-	-	65,445,120
2	Tier 1 and Tier 2 capital	65,445,120	-	-	-	65,445,120
3	Other equity items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	234,445,513	223,580,309	9,578,288	1,932,098	443,134,248
5	Stable deposit/participation fund	200,187,497	201,019,767	8,506,473	1,319,468	390,481,545
6	Low stable deposit/participation fund	34,258,016	22,560,542	1,071,815	612,630	52,652,703
7	Payables to other persons	-	-	-	-	-
8	Operational deposits/participation funds	-	-	-	-	-
9	Other payables	-	-	-	-	-
10	Liabilities equivalent to linked assets					
11	Other liabilities	11,034,067	69,833,583	13,803,191	-	6,901,596
12	Derivative liabilities					
13	Other equity items and liabilities not included above	54,790,478	-	-	3,818,384	3,818,384
14	<b>Available Stable Fund</b>					<b>519,299,348</b>
Required Stable Funding						
15	High-quality liquid assets					1,364,521
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
17	Live receivables	17,076,061	115,018,436	70,265,672	151,700,386	235,565,281
18	Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	6,532	5,083,046	-	-	763,437
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	4,627,759	108,748,823	68,838,630	138,349,188	213,292,308

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21	Receivables subject to risk weighting of 35% or less	-	-	-	12,622,757	8,204,792
22	Receivables collateralized by mortgages on residential real estate	-	-	-	-	-
23	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
24	Quoted equities and debt instruments that do not qualify as high quality liquid assets	12,441,770	1,186,567	1,427,042	728,441	13,304,744
25	Assets equivalent to interconnected liabilities					
26	Other assets	56,578,822	43,178,206	565,542	53,922,088	71,872,689
27	Commodities with physical delivery including gold	9,843,761				8,367,197
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-	-
29	Derivative assets				1,440,182	1,440,182
30	Derivative liabilities before deduction of variation margin				15,330,249	15,330,249
31	Other assets not included above	46,735,061	26,407,775	565,542	53,922,088	46,735,061
32	Off-balance sheet payables		57,577,781	-	-	2,878,889
33	<b>Required Stable Funding</b>					<b>311,681,380</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>166.61</b>

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**6. Explanations on leverage ratio**

**Disclosure of leverage ratio template**

The leverage ratio table prepared in accordance with the communiqué “Regulation on Measurement and Assessment of Leverage Ratios of Banks” published in the Official Gazette no. 28812 dated 5 November 2013 is presented below.

	<b>On-balance sheet assets (*)</b>	<b>Current Period</b>	<b>Prior Period</b>
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	797,795,164	643,879,745
2	(Assets deducted in determining Tier I Capital)	(7,942,050)	(2,606,775)
3	Total on-balance sheet risks (sum of lines 1 and 2)	789,853,114	641,272,970
	<b>Derivative financial instruments and credit derivatives</b>		
4	Replacement cost associated with all derivative instruments and credit derivatives	2,299,522	1,379,152
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	932,999	766,290
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	3,232,521	2,145,442
	<b>Securities or commodity financing transactions (SCFT)</b>		
7	Risks from SCFT assets (excluding on-balance sheet)	6,401,576	19,249,850
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	6,401,576	19,249,850
	<b>Other off-balance sheet transactions</b>		
10	Gross notional amounts of off-balance sheet transactions	240,977,774	160,649,396
11	(Adjustments for conversion to credit equivalent amounts)	(49,921,893)	(49,665,843)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	191,055,881	110,983,553
	<b>Capital and total risks</b>		
13	Tier I Capital	68,808,159	50,886,957
14	Total risks (sum of lines 3, 6, 9 and 12)	990,543,092	773,651,815
	<b>Leverage ratio</b>		
15	Leverage ratio	6.95	6.58

(\*) Amounts in the table are three-month average amounts.

As of the Bank's consolidated balance sheet date, the leverage ratio calculated based on the arithmetic average of the values found at the end of the month in the previous three months was 6.95% (31 December 2023 - 6.58%). The main reason for the change compared to the previous period is that the increase in capital, on-balance sheet assets and derivative financial assets and credit derivatives items is higher than other items. Accordingly, capital increased by 35% from profit for the period, while on-balance sheet risk increased by 23%, off-balance sheet items increased by 72%. Accordingly, there is an increase of 37 basis points in the leverage ratio in the current period compared to the previous period.

**7. Explanations on consolidated fair values of financial assets and liabilities**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

**8. Explanations on the activities carried out on behalf and account of other persons**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

**9. Explanations on hedge accounting practices**

None (31 December 2023 – None).

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**10. Explanations on risk management**

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, Asset-Liability Committee (“ALCO”) and the Risk Management Department (“RMD”) which has been composed in order to manage systemic risks that the Bank is exposed. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows and the level & the quality of related activities.

**10.1. Explanations on risk management and risk-weighted amounts**

**10.1.1 GB1 - Overview of risk weighted amounts**

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 30/09/2024	Prior Period 31/12/2023	Current Period 30/09/2024
1	Credit risk (excluding counterparty credit risk)	311,850,293	184,247,498	24,948,023
2	Standardized approach	311,850,293	184,247,498	24,948,023
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	3,100,089	1,099,814	248,007
5	Standardized approach for counterparty credit risk	3,100,089	1,099,814	248,007
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% risk weighting Approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach	-	-	-
16	Market risk	39,896,416	49,803,589	3,191,713
17	Standardized approach	39,896,416	49,803,589	3,191,713
18	Internal model approaches	-	-	-
19	Operational risk	55,143,267	29,549,149	4,411,461
20	Basic indicator approach	55,143,267	29,549,149	4,411,461
21	Standardized approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>409,990,065</b>	<b>264,700,050</b>	<b>32,799,204</b>

**11. Securitization positions**

None.

**12. Explanations on the activities carried out on behalf and account of other persons, fiduciary-based transactions**

The Bank does not perform purchases, sales and custody services in the name of others. The Bank has no fiduciary-based transaction agreements.

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**13. Qualitative explanations on market risk**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

**14. Explanations on operating segments**

The Bank operates in Corporate and Commercial Banking, Retail Banking, Treasury and International Banking sectors.

Corporate and Commercial Banking: Special cash flow and financial solutions are provided to customers through loans, non-cash loans, foreign trade financing services and similar customized products to meet the financial needs of the customers. Domestic and foreign business opportunities are supported by using different corporate banking instruments to serve the sustainability of the production of entities.

Retail Banking includes fund collection, instalment commercial loans, business loans, non-cash loans, consumer financing and credit cards. The Bank serves in the range of products areas of profit share accounts creation, banking services, trade finance, checks, POS services, credit cards, ATM services, online banking and mobile banking in these fields.

In Treasury and International Banking, the relationships with foreign correspondent banks and investment institutes are executed directly or via branches abroad, representative offices and agencies. The firms, which are exceed size limits, are classified “corporate” customers and directed to the Corporate Banking. The products are the same with the Commercial Banking. The aim of international banking is to enable foreign trade financing and develop mutual long-term financing agreements with foreign banks. Besides supplying syndicated loans and issue the Sukuk for the Bank, investment banking also supplies syndicated loans in corporate basis for the firms and Banks in Türkiye. The project finance function is also performed by Investment Banking. In addition to monitoring the foreign currency position and cash flows on behalf of the Bank, the Treasury carries out spot and forward TL and foreign currency trading, derivative transactions (Forward, Swap) with banks and customers, stock trading within the scope of BIST membership, murabaha transactions with foreign banks and gold trading transactions.



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**Selected balance sheet and income statement items according to segments**

<b>Current Period</b>	<b>Corporate and Commercial Banking</b>		<b>Treasury and international Banking</b>	<b>Unallocated</b>	<b>Bank's total operation</b>
<b>1 January 2024-30 September 2024</b>	<b>Retail Banking</b>	<b>Commercial Banking</b>	<b>international Banking</b>	<b>Unallocated</b>	<b>Bank's total operation</b>
Operating income	61,084,004	50,212,636	7,634,008	-	118,930,648
Operating expenses (-)	47,478,456	18,034,286	6,721,151	14,529,158	86,763,051
Transfers between segments	33,626,148	(14,912,361)	(18,713,787)	-	-
<b>Net operating income / loss</b>	<b>47,231,696</b>	<b>17,265,989</b>	<b>(17,800,930)</b>	<b>(14,529,158)</b>	<b>32,167,597</b>
Income from associates using equity method	-	-	-	-	-
<b>Profit before tax</b>	<b>47,231,696</b>	<b>17,265,989</b>	<b>(17,800,930)</b>	<b>(14,529,158)</b>	<b>32,167,597</b>
Provision for taxation (-)	-	-	-	7,761,726	7,761,726
<b>Net profit for the period</b>	<b>47,231,696</b>	<b>17,265,989</b>	<b>(17,800,930)</b>	<b>(22,290,884)</b>	<b>24,405,871</b>
<b>Current Period</b>					
<b>30 September 2024</b>					
Segment assets	148,329,563	257,813,488	391,553,620	-	797,696,671
Associates, subsidiaries and joint ventures	-	-	-	3,942,925	3,942,925
Undistributed assets	-	-	-	24,034,102	24,034,102
<b>Total assets</b>	<b>148,329,563</b>	<b>257,813,488</b>	<b>391,553,620</b>	<b>27,977,027</b>	<b>825,673,698</b>
Segment liabilities	446,832,779	109,085,583	171,614,494	-	727,532,856
Undistributed liabilities	-	-	-	25,948,199	25,948,199
Shareholders' equity	-	-	-	72,192,643	72,192,643
<b>Total liabilities</b>	<b>446,832,779</b>	<b>109,085,583</b>	<b>171,614,494</b>	<b>98,140,842</b>	<b>825,673,698</b>
<b>Prior Period</b>					
<b>1 January 2024-30 September 2023</b>					
Operating income	21,338,950	26,813,624	6,491,596	-	54,644,169
Operating expenses (-)	19,545,554	5,038,678	889,335	6,851,859	32,325,426
Transfers between segments	11,651,138	(9,067,217)	(2,583,921)	-	-
<b>Net operating income / loss</b>	<b>13,444,534</b>	<b>12,707,729</b>	<b>3,018,340</b>	<b>(6,851,859)</b>	<b>22,318,743</b>
Income from associates using equity method	-	-	-	-	-
<b>Profit before tax</b>	<b>13,444,534</b>	<b>12,707,729</b>	<b>3,018,340</b>	<b>(6,851,859)</b>	<b>22,318,743</b>
Provision for taxation (-)	-	-	-	5,221,573	5,221,573
<b>Net profit for the period</b>	<b>13,444,534</b>	<b>12,707,729</b>	<b>3,018,340</b>	<b>(12,073,432)</b>	<b>17,097,170</b>
<b>Prior Period</b>					
<b>31 December 2023</b>					
Segment assets	115,123,175	201,740,942	335,536,661	-	652,400,778
Associates, subsidiaries and joint ventures	-	-	-	3,212,925	3,212,925
Undistributed assets	-	-	-	12,554,512	12,554,512
<b>Total assets</b>	<b>115,123,175</b>	<b>201,740,942</b>	<b>335,536,661</b>	<b>15,767,437</b>	<b>668,168,215</b>
<b>Prior Period</b>					
<b>31 December 2023</b>					
Segment liabilities	385,565,367	121,945,506	97,043,082	-	604,553,955
Undistributed liabilities	-	-	-	15,628,572	15,628,572
Shareholders' equity	-	-	-	47,985,688	47,985,688
<b>Total liabilities</b>	<b>385,565,367</b>	<b>121,945,506</b>	<b>97,043,082</b>	<b>63,614,260</b>	<b>668,168,215</b>

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**SECTION FIVE**

**EXPLANATIONS AND NOTES ON THE FINANCIAL STATEMENTS**

**1. Explanations and notes related to assets**

**1.1 Information regarding the cash assets and the Central Bank of Republic of Türkiye**

**1.1.1 Cash and balances with the Central Bank of Republic of Türkiye**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/foreign currency	3,069,939	8,280,499	2,085,927	12,814,660
The Central Bank of Republic of Türkiye	52,855,036	110,502,462	27,619,499	91,480,001
Other (*)	423,239	13,394,843	31,270	6,344,071
<b>Total</b>	<b>56,348,214</b>	<b>132,177,804</b>	<b>29,736,696</b>	<b>110,638,732</b>

(\*) As of 30 September 2024, precious metal account amounting to TL 9,500,192 (31 December 2023 - TL 6,141,897) and money in transit amounting to TL 4,317,890 (31 December 2023 - TL 233,444) are presented in this line.

**1.1.2 Information about CBRT**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	27,926,256	14,174,105	21,567,615	16,522,557
Restricted Time Deposit	-	-	-	-
Unrestricted Time Deposit	24,928,780	96,328,357	6,051,884	74,957,444
<b>Total</b>	<b>52,855,036</b>	<b>110,502,462</b>	<b>27,619,499</b>	<b>91,480,001</b>

According to the “Communiqué No: 2013/15 on Reserve Requirements” of the CBRT, the Bank establishes reserve requirements for its Turkish Lira and foreign currency liabilities at the CBRT. Reserve deposits can be held at the CBRT in Turkish Lira, USD and/or EURO and standard gold in accordance with the “Communiqué on Reserve Requirements.

As of 30 September 2024, a reserve requirement of 3% to 15% (22% to 33% for accounts with exchange rate protection support) is established for Turkish currency participation funds and other liabilities, depending on the maturity structure, 5% to 30% for foreign currency participation funds and other liabilities, and 22% to 26% for precious metal deposit accounts, depending on the maturity structure. The additional reserve requirement rate for foreign currency participation funds (excluding foreign bank participation funds and precious metal deposit accounts) is 5%.

**1.2 Information on financial assets at fair value through profit and loss**

As of 30 September 2024, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2023 - None). The collateral given and blocked is TL 4,057,635 (31 December 2023 - TL 16,953,796).

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	151,554	56,934	68,530	42,912
Swap transactions	519,190	5,455,821	1,345,922	420,560
<b>Total</b>	<b>670,744</b>	<b>5,512,755</b>	<b>1,414,452</b>	<b>463,472</b>

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**1.3 Information on Banks**

**1.3.1. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>28,636</b>	<b>55,479,845</b>	<b>22,985</b>	<b>18,090,427</b>
Domestic	28,636	526,428	22,985	486,588
Foreign	-	54,953,417	-	17,603,839
Headquarters and branches abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
<b>Total</b>	<b>28,636</b>	<b>55,479,845</b>	<b>22,985</b>	<b>18,090,427</b>

**1.3.2. Information on foreign banks account**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

**1.4 Information on financial assets at fair value through other comprehensive income**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>57,184,082</b>	<b>58,123,858</b>
Quoted on stock exchange	44,617,539	57,898,462
Not quoted on stock exchange	12,566,543	225,396
<b>Share certificates/Investment Funds</b>	<b>171,267</b>	<b>302,374</b>
Quoted on stock exchange	55,902	233,440
Not quoted on stock exchange	115,365	68,934
<b>Impairment provision (-)</b>	<b>6,238,108</b>	<b>3,132,845</b>
<b>Total</b>	<b>51,117,241</b>	<b>55,293,387</b>

**1.4.1. Information on financial assets given as collateral or blocked at fair value reflected in other comprehensive income**

As of the balance sheet date, there are financial assets given TL 30,301,238 (31 December 2023: TL 35,980,390) as collateral whose fair value difference is reflected to other comprehensive income.

**1.4.2. Information on financial assets whose fair value difference subject to repo transaction is reflected to other comprehensive income**

As of the balance sheet date, there are financial assets subject to sale transactions with the promise of repurchase, of which TL 3,013,828 (31 December 2023 – TL 4,087,162) is reflected to other comprehensive income.

**1.5 Explanations on financial assets measured at amortized cost:**

**1.5.1 All types of loans and advances given to shareholders and employees of the Bank:**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct loans granted to shareholders</b>	<b>37,420</b>	<b>102,036</b>	<b>29,238</b>	<b>82,280</b>
Corporate shareholders	6,178	101,110	2,156	82,059
Real person shareholders	31,242	926	27,082	221
<b>Indirect loans granted to shareholders</b>	<b>843</b>	<b>3,638</b>	<b>2,974,543</b>	<b>20,322</b>
<b>Loans granted to employees</b>	<b>300,468</b>	<b>20,109</b>	<b>252,314</b>	<b>3,139</b>
<b>Total</b>	<b>338,731</b>	<b>125,783</b>	<b>3,256,095</b>	<b>105,741</b>

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**1.5.2 Information on standard loans, loans under close monitoring and restructured loans under close monitoring**

Current Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
<b>Loans</b>	<b>339,671,270</b>	<b>23,042,386</b>	<b>3,415,748</b>	<b>-</b>
Export Loans	59,007,843	1,265,241	-	-
Import Loans	15,638,266	254,967	-	-
Corporation Loans	169,602,493	16,067,681	3,330,838	-
Consumer Loans	19,459,836	707,417	1,105	-
Credit Cards	37,985,713	4,079,149	83,805	-
Loans given to financial sector	8,874,362	-	-	-
Other	29,102,757	667,931	-	-
<b>Other Receivables</b>	<b>1,967</b>	<b>12,632</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>339,673,237</b>	<b>23,055,018</b>	<b>3,415,748</b>	<b>-</b>

Prior Period - Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
			Revised Contract Terms	Refinance
<b>Loans</b>	<b>275,139,984</b>	<b>16,084,305</b>	<b>3,342,121</b>	<b>-</b>
Export Loans	34,576,357	935,578	-	-
Import Loans	11,094,258	417,052	-	-
Corporation Loans	156,470,480	11,566,448	3,316,711	-
Consumer Loans	18,026,123	541,128	2,513	-
Credit Cards	23,068,840	2,088,257	22,366	-
Loans given to financial sector	6,438,211	-	-	-
Other	25,465,715	535,842	531	-
<b>Other Receivables</b>	<b>839</b>	<b>8,508</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>275,140,823</b>	<b>16,092,813</b>	<b>3,342,121</b>	<b>-</b>

Information on standard loans and loans under close monitoring and restructured loans under close monitoring regarding provision

	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
	Current Period	Current Period	Prior Period	Prior Period
12 Month Expected Credit Losses	3,326,360	-	8,466,431	-
Expected Loss Provision for Other Financial Assets Measured at Amortized Cost	15,214	-	48,306	-
Significant Increase in Credit Risk	-	5,757,313	-	5,971,828
<b>Total</b>	<b>3,341,574</b>	<b>5,757,313</b>	<b>8,514,737</b>	<b>5,971,828</b>

**1.5.3 Distribution of cash loans and other receivables according to their maturities**

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

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**1.5.4 Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards**

<b>Current Period</b>	<b>Short term</b>	<b>Medium and long term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1,351,070</b>	<b>18,620,430</b>	<b>19,971,500</b>
Housing Loans	58,295	12,130,735	12,189,030
Vehicle Loans	440,797	4,879,115	5,319,912
Consumer Loans	818,145	837,454	1,655,599
Other	33,833	773,126	806,959
<b>Consumer Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	-	<b>19,001</b>	<b>19,001</b>
Housing Loans	-	19,001	19,001
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-TL</b>	<b>13,026,445</b>	<b>24</b>	<b>13,026,469</b>
With Instalment	2,463,297	24	2,463,321
Without Instalment	10,563,148	-	10,563,148
<b>Retail Credit Cards-FC</b>	-	-	-
With Instalment	-	-	-
Without Instalment	-	-	-
<b>Personnel Loans-TL</b>	<b>54,633</b>	<b>123,224</b>	<b>177,857</b>
Housing Loans	522	13,818	14,340
Vehicle Loans	11,804	40,190	51,994
Consumer Loans	42,015	69,216	111,231
Other	292	-	292
<b>Personnel Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>144,893</b>	<b>2</b>	<b>144,895</b>
With Instalment	44,444	2	44,446
Without Instalment	100,449	-	100,449
<b>Personnel Credit Cards-FC</b>	-	-	-
With Instalment	-	-	-
Without-instalment	-	-	-
<b>Overdraft Account-TL (Real Person)</b>	-	-	-
<b>Overdraft Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>14,577,041</b>	<b>18,762,681</b>	<b>33,339,722</b>

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<b>Prior Period</b>	<b>Short term</b>	<b>Medium and long term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>669,451</b>	<b>17,710,802</b>	<b>18,380,253</b>
Housing Loans	17,660	10,071,872	10,089,532
Vehicle Loans	333,734	5,720,411	6,054,145
Consumer Loans	249,854	931,118	1,180,972
Other	68,203	987,401	1,055,604
<b>Consumer Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	-	<b>29,922</b>	<b>29,922</b>
Housing Loans	-	29,922	29,922
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-TL</b>	<b>7,873,652</b>	<b>24</b>	<b>7,873,676</b>
With Instalment	2,429,914	24	2,429,938
Without Instalment	5,443,738	-	5,443,738
<b>Retail Credit Cards-FC</b>	-	-	-
With Instalment	-	-	-
Without Instalment	-	-	-
<b>Personnel Loans-TL</b>	<b>21,406</b>	<b>138,181</b>	<b>159,587</b>
Housing Loans	172	9,686	9,858
Vehicle Loans	5,821	40,180	46,001
Consumer Loans	15,413	88,315	103,728
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>113,146</b>	<b>2</b>	<b>113,148</b>
With Instalment	54,858	2	54,860
Without Instalment	58,288	-	58,288
<b>Personnel Credit Cards-FC</b>	-	-	-
With Instalment	-	-	-
Without-instalment	-	-	-
<b>Overdraft Account-TL (Real Person)</b>	-	-	-
<b>Overdraft Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>8,677,655</b>	<b>17,878,931</b>	<b>26,556,586</b>

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**1.5.5 Information on commercial installment loans and corporate credit cards**

<b>Current Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>9,198,478</b>	<b>29,511,278</b>	<b>38,709,756</b>
Business Loans	193,700	2,502,940	2,696,640
Vehicle Loans	7,469,456	21,859,771	29,329,227
Consumer Loans	1,535,322	5,148,567	6,683,889
Other	-	-	-
<b>Commercial Installment Loans-FC Indexed</b>	<b>7,862</b>	<b>245,429</b>	<b>253,291</b>
Business Loans	7,862	-	7,862
Vehicle Loans	-	-	-
Consumer Loans	-	245,429	245,429
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>24,083</b>	<b>7,203,985</b>	<b>7,228,068</b>
Business Loans	-	1,194,034	1,194,034
Vehicle Loans	24,083	6,009,951	6,034,034
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>28,977,303</b>	-	<b>28,977,303</b>
With Installment	12,674,576	-	12,674,576
Without Installment	16,302,727	-	16,302,727
<b>Corporate Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TL (Legal Entity)</b>	-	-	-
<b>Overdraft Account-FC (Legal Entity)</b>	-	-	-
<b>Total</b>	<b>38,207,726</b>	<b>36,960,692</b>	<b>75,168,418</b>

<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>5,777,427</b>	<b>23,559,600</b>	<b>29,337,027</b>
Business Loans	116,664	1,784,000	1,900,664
Vehicle Loans	4,729,616	17,921,768	22,651,384
Consumer Loans	931,147	3,853,832	4,784,979
Other	-	-	-
<b>Commercial Installment Loans-FC Indexed</b>	<b>11,945</b>	<b>382,169</b>	<b>394,114</b>
Business Loans	11,945	-	11,945
Vehicle Loans	-	-	-
Consumer Loans	-	382,169	382,169
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>10,293</b>	<b>3,892,787</b>	<b>3,903,080</b>
Business Loans	-	724,311	724,311
Vehicle Loans	10,293	3,168,476	3,178,769
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>17,192,639</b>	-	<b>17,192,639</b>
With Installment	8,974,843	-	8,974,843
Without Installment	8,217,796	-	8,217,796
<b>Corporate Credit Cards-FC</b>	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TL (Legal Entity)</b>	-	-	-
<b>Overdraft Account-FC (Legal Entity)</b>	-	-	-
<b>Total</b>	<b>22,992,304</b>	<b>27,834,556</b>	<b>50,826,860</b>

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**1.5.6 Breakdown of loans by users**

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**1.5.7 Breakdown of domestic and foreign loans**

	Current period	Prior period
Domestic loans	351,736,879	285,085,242
Foreign loans	14,407,124	9,490,515
<b>Total</b>	<b>366,144,003</b>	<b>294,575,757</b>

**1.5.8 Loans granted to subsidiaries and associates**

	Current period	Prior period
Loans granted directly to subsidiaries and associates	483,563	736,761
Loans granted indirectly to subsidiaries and associates	-	-
<b>Total</b>	<b>483,563</b>	<b>736,761</b>

**1.5.9 Specific provisions for loans or default (third stage) provisions**

	Current period	Prior period
Loans and receivables with limited collectability	370,529	171,423
Loans and receivables with doubtful collectability	649,602	373,091
Uncollectible loans and receivables	4,470,328	2,898,911
<b>Total</b>	<b>5,490,459</b>	<b>3,443,425</b>

**1.5.10 Information on non-performing loans (Net)**

**1.5.10.1 Information on loans and other receivables included in loans under follow-up account, which are restructured or rescheduled**

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectible Loans and Receivables
<b>Current Period</b>			
Gross Amount Before Specific Provisions	-	-	695,079
Restructured Loans and Receivables	-	-	695,079
<b>Prior Period</b>			
Gross Amount Before Specific Provisions	-	-	744,591
Restructured Loans and Receivables	-	-	744,591



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**1.5.10.2 Information on the movement of total non-performing loans**

<b>Current Period</b>	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Ending balance of prior period 31.12.2023</b>	<b>231,744</b>	<b>434,254</b>	<b>2,937,343</b>
Additions in the current period (+)	385,934	1,084,549	1,594,645
Transfers from other categories of non-performing loans (+)	-	91,553	607,286
Transfers to other categories of non-performing loans (-)	91,553	607,286	-
Collections in the current period (-)	8,370	212,763	300,858
Write-offs (-)	-	-	-
<b>Sold Portfolio (-)</b>	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Ending balance of the current period</b>	<b>517,755</b>	<b>790,307</b>	<b>4,838,416</b>
Specific provisions (-)	370,529	649,602	4,470,328
<b>Net balances on balance sheet</b>	<b>147,226</b>	<b>140,705</b>	<b>368,088</b>

  

<b>Prior Period</b>	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Ending balance of prior period 31.12.2022</b>	<b>131,936</b>	<b>304,959</b>	<b>2,809,152</b>
Additions in the current period (+)	264,948	585,369	1,199,267
Transfers from other categories of non-performing loans (+)	-	137,098	478,316
Transfers to other categories of non-performing loans (-)	137,098	478,316	-
Collections in the current period (-)	28,042	114,856	1,002,147
Write-offs (-)	-	-	547,245
<b>Sold Portfolio (-)</b>	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Ending balance of the current period</b>	<b>231,744</b>	<b>434,254</b>	<b>2,937,343</b>
Specific provisions (-)	171,423	373,091	2,898,911
<b>Net balances on balance sheet</b>	<b>60,321</b>	<b>61,163</b>	<b>38,432</b>

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**1.5.10.3 Information on non-performing loans granted as foreign currency loans**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
<b>Current Period</b>			
Period End Balance	71,530	62,869	1,099,078
Provision Amount (-)	52,465	54,848	1,063,954
<b>Net Balance at the Balance Sheet</b>	<b>19,065</b>	<b>8,021</b>	<b>35,124</b>
<b>Prior Period</b>			
Period End Balance	26,066	69,720	878,527
Provision Amount (-)	19,066	61,499	869,672
<b>Net Balance at the Balance Sheet</b>	<b>7,000</b>	<b>8,221</b>	<b>8,855</b>

**1.5.10.4 Gross and net amounts of non-performing loans with respect to user groups**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>	<b>517,755</b>	<b>790,307</b>	<b>4,838,416</b>
Loans granted to real persons and legal entities (gross)	370,529	649,602	4,470,328
Specific provision (-)	147,226	140,705	368,088
<b>Loans to real persons and legal entities (Net)</b>	<b>517,755</b>	<b>790,307</b>	<b>4,838,416</b>
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
<b>Prior Period (Net)</b>	<b>60,321</b>	<b>61,163</b>	<b>38,432</b>
Loans granted to real persons and legal entities (gross)	231,744	434,254	2,937,343
Specific provision (-)	171,423	373,091	2,898,911
<b>Loans to real persons and legal entities (net)</b>	<b>60,321</b>	<b>61,163</b>	<b>38,432</b>
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

The Bank has collaterals such as cash, mortgages, pledges, and checks of customer issued for non-performing loans.

**1.5.10.5 In terms of financial instrument classes, the aging analysis of past due but not impaired financial assets is as follows**

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**1.5.10.6 Information on profit share accruals, discounts and valuation differences computed for non-performing loans and their provision**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and Other Receivables with Limited Collectability</b>	<b>Loans and Other Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period (Net)</b>	<b>15,118</b>	<b>19,706</b>	<b>13,950</b>
Profit share accruals, discount and valuation differences	48,140	73,616	454,186
Provision (-)	33,023	53,910	440,236

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and Other Receivables with Limited Collectability</b>	<b>Loans and Other Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Prior Period (Net)</b>	<b>1,890</b>	<b>2,924</b>	<b>2,171</b>
Profit share accruals, discount and valuation differences	6,698	17,502	324,809
Provision (-)	4,808	14,578	322,638

**1.5.11 Main guidelines for liquidation process of uncollectible loans and other receivables**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**1.5.12 Information on the write-off policy**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**1.6 Information on financial assets measured at amortized cost**

**1.6.1 Information on other financial assets measured at amortized cost**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt Securities</b>	<b>54,941,592</b>	<b>63,203,644</b>
Quoted on a Stock Exchange	54,941,592	63,203,644
Not Quoted	-	-
<b>Expected Loss Provision (-)</b>	<b>15,214</b>	<b>48,306</b>
<b>Total</b>	<b>54,926,378</b>	<b>63,155,338</b>

**1.6.2 Movements of other financial assets measured at amortized cost during the year**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Opening Balance</b>	<b>63,203,644</b>	<b>21,678,735</b>
Exchange Rate Differences in Monetary Assets	3,326,132	6,872,911
Purchases During the Year	3,660,000	33,590,663
Disposals Through Sales and Redemptions (-)	8,560,000	692,130
Transfers	(6,325,000)	-
Income Accruals and Discounts	(363,184)	1,753,465
<b>Expected Loss Provision (-)</b>	<b>15,214</b>	<b>48,306</b>
<b>Total</b>	<b>54,926,378</b>	<b>63,155,338</b>

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**1.7 Information on investment in associates (Net)**

**1.7.1** The 1.49% ownership of the shares of Kredi Garanti Fonu A.Ş. amounting to TL 4,897 (31 December 2023 – TL 4,897), ownership of the shares of Katılım Finans Kefalet A.Ş amounting to TL 67,500, which corresponds to 15% in (31 December 2023 – TL 22,500), Swift shares amounting to TL 9,064 (31 December 2023 – TL 7,732) and 0.0035% ownership of the shares traded in Borsa İstanbul A.Ş amounting to TL 15 (31 December 2023 – TL 15), 2.86% ownership of the shares of JCR Avrasya Derecelendirme A.Ş. amounting to TL 2,755 (31 December 2023 – TL 2,755), The 0.44% ownership of the shares of İhracatı Geliştirme A.Ş. amounting to TL 30,420 (31 December 2023 – TL 30,420), VISA shares amounting to TL 315,033 (31 December 2023 – TL 233,440) are classified as financial assets at fair value through other comprehensive income and the Bank does not have a significant influence on these entities. Since the share ratio in the partnerships in question is below 10% and it does not have significant influence, it is followed in the financial assets account whose fair value difference is reflected in other comprehensive income.

**1.7.2 Information about investments in unconsolidated associates:** None (31 December 2023 – None).

**1.7.3 Information related to consolidated associates:** None (31 December 2023 – None).

**1.8 Information on subsidiaries (Net)**

**1.8.1** Although the Bank has control power over the management and capital of its non-financial subsidiaries, Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San. Ve Tic. A.Ş and Architech Bilişim Sistemleri ve Pazarlama Tic A.Ş does not confirm to the definition of financial subsidiary in accordance with “Regulation related to the Preparation of Consolidated Financial Statements by Banks” published in the Official Gazette No. 26340 dated 8 November 2006; hence this subsidiary has not been consolidated.

**1.8.2 Information on subsidiaries**

	Title	Address (City/Country)	Bank's share percentage, if different-voting percentage (%)	Bank's risk group share percentage (%)
1	KT Bank AG (*)	Frankfurt/Germany	100	100
2	Neova Katılım Sigorta A.Ş. (***)	İstanbul/Türkiye	100	100
3	KT Kira Sertifikaları Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100
4	KT Sukuk Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100
5	Kuveyt Türk Portföy Yönetimi A.Ş.	İstanbul/Türkiye	100	100
6	Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	75	75
7	Architech Bilişim Sistemleri ve Pazarlama Tic A.Ş. (**)	İstanbul/Türkiye	100	100
8	Körfez Tatil Beldesi Turistik Tesisler ve Devremülk İşletmeciliği San.ve Tic. A.Ş. (**)	İstanbul/Türkiye	99.99	99.99
9	Kuveyt Türk Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	100	100

Information on subsidiaries in the order listed above

	Total Assets	Equity	Total Fixed Assets	Profit Share Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit /Loss	Fair Value
1	30,685,978	6,152,141	243,983	755,625	62,355	(40,702)	56,331	-
2	22,281,636	3,355,796	420,358	3,408,829	2,286,286	851,455	310,130	-
3	15,192,785	745	-	-	-	200	35	-
4	1,370	1,025	-	-	-	155	66	-
5	851,457	804,889	25,087	-	-	533,558	112,633	-
6	492,244	328,518	4,279	32,343	17,576	104,263	39,454	-
7	967,527	752,634	87,290	45,700	26,022,406	265,979	86,170	-
8	272,406	201,171	644	-	-	26,440	38,753	-
9	500,286	482,291	11,948	62,963	-	25,011	-	-

(\*) As of 30 September 2024, financial figures for this entity in the table above are based on the financial information prepared in accordance with the local regulations of the country in which this entity operates.

(\*\*) These are the amounts in the statutory financial statements dated 30 September 2024, regulated according to the Turkish Commercial Code.

(\*\*\*) Neova Katılım Sigorta A.Ş. calculates the minimum required shareholders' equity twice a year, in June and December periods, in accordance with Article 10 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance and Reinsurance and Pension Companies and has a capital deficiency of TL 64,120 as of 30 September 2024 (31 December 2023: Capital deficiency TL 251,493). In addition, the shareholder of Neova Katılım Sigorta A.Ş. has the financial power and management understanding to eliminate any financial risk.

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Movement regarding the subsidiaries

	Current Period	Prior Period
<b>Balance at the beginning of the period</b>	<b>3,192,925</b>	<b>2,442,925</b>
Movements during the year	730,000	750,000
Purchases (*)	730,000	750,000
Transfers from subsidiaries (net)	-	-
Bonus shares	-	-
Dividends from current year income	-	-
Sales	-	-
Revaluation increase	-	-
Impairment provisions	-	-
Capital commitment payments	-	-
<b>Balance at the end of the period</b>	<b>3,922,925</b>	<b>3,192,925</b>
Capital commitments	22,500	67,500
Share percentage at the end of the period (%)	-	-

(\*) The capital of Neova Katılım Sigorta A.Ş., a subsidiary of the Bank, was increased by TL 500,000,000 (full amount) from TL 900,000,000 (full amount) to TL 1,400,000,000 (full amount) on 31 January 2024 and the capital of Kuveyt Türk Yatırım Menkul Değerler A.Ş. was increased by TL 230,000,000 (full amount) from TL 220,000,000 (full amount) to TL 450,000,000 (full amount) on 3 April 2024.

Sectoral information on consolidated subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	1,592,030	1,592,030
Insurance Companies	1,651,796	1,151,796
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Subsidiaries	555,419	325,419
<b>Total</b>	<b>3,799,245</b>	<b>3,069,245</b>

Subsidiaries that are quoted on the stock exchange

	Current Period	Prior Period
Quoted in Domestic Stock Exchange	53,418	53,418
Quoted in Foreign Stock Exchange	-	-
<b>Total</b>	<b>53,418</b>	<b>53,418</b>

### 1.8.3 Information on capital adequacies of major subsidiaries

The shareholder's equity of KT Bank AG, the bank's subsidiary in Germany, calculated as of 30 September 2024, is EUR 161,602,124 (Full EUR amount) and the capital adequacy ratio is 26%.

### 1.9 Information on joint ventures (business partnerships) (Net)

	Bank's share percentage	Total assets	Equity	Total fixed assets	Current period profit/loss	Prior period profit /loss
Katılım Emeklilik ve Hayat A.Ş. (*)	50%	33,549,633	1,085,809	121,878	490,051	253,485

(\*) In accordance with decision of the Bank's Board of Directors on 25 April 2013, Kuveyt Türk Katılım Bankası A.Ş. and Albaraka Türk Katılım Bankası A.Ş. decided to establish the Pension Company in line with main shares. Bank decided to establish that pension company with the equal share amounts with Albaraka Türk Katılım Bankası A.Ş. and that pension company is registered with the trade name "Katılım Emeklilik ve Hayat Anonim Şirketi", 895027 registry numbered dated 17 December 2013 by Istanbul Trade Registry Office.

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**1.10 Information on finance lease receivables (Net)**

**1.10.1 Presentation of remaining maturities of net finance leases**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	35,162,230	27,352,430	25,525,713	19,042,090
1 to 4 years	24,202,929	21,607,034	20,095,599	17,156,342
More than 4 years	1,198,608	1,189,967	951,303	921,351
<b>Total</b>	<b>60,563,767</b>	<b>50,149,431</b>	<b>46,572,615</b>	<b>37,119,783</b>

**1.10.2 Net investments in finance leases**

	Current Period	Prior Period
Gross Receivable from Finance Leases	60,563,767	46,572,615
Unearned Finance Lease Income (-)	10,414,336	9,452,832
Cancelled Lease Amounts (-)	-	-
<b>Net Finance Leasing Investment</b>	<b>50,149,431</b>	<b>37,119,783</b>

**1.10.3 Information on finance lease contracts**

The Bank determines the settlements of the financial lease agreements in accordance with related legislations. Payment terms and amounts may be rearranged with additional agreements upon customers' requests. On the agreements, the Bank gives the customer the option to buy the related property. According to the Financial Lease Law, if a customer does not fulfill its obligations until 60 days, the Bank sends a notice to the customer and the Bank takes legal action against the customer if necessary. Non-performing finance lease receivables amounting to TL 407,502 are included in the non-performing loans in the balance sheet (31 December 2023 – TL 131,812).

**1.11 Information on derivative financial assets for hedging purposes**

None (31 December 2023 – None).

**1.12. Information on tangible assets**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**1.13. Explanations on intangible assets**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**1.14. Explanations on investment properties**

None (31 December 2023 – None).

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**1.15. Information on deferred tax asset**

As of 30 September 2024, deferred tax is offset as TL 6,411,181 in the balance sheet. The deferred tax asset is TL 8,267,261 (31 December 2023 – TL 6,477,294) and the deferred tax liability is TL 1,856,080 (31 December 2023 – TL 729,476).

	Current Period	Prior Period
TFRS 9 Provisions	1,897,377	2,612,011
Tangible assets valuation differences	2,091,627	1,608,654
Employee benefits liability	502,562	468,236
Deferred income	522,522	394,378
Severance pays liability	415,152	328,616
Derivative financial instruments rediscouts	(1,375,893)	-
Precious metals valuation difference	-	283,950
Marketable Securities Valuation Difference	2,144,443	45,342
Other	213,391	6,631
<b>Net deferred tax asset</b>	<b>6,411,181</b>	<b>5,747,818</b>

Table of deferred tax asset movement:

	Current Period	Prior Period
As of 1 January	5,747,818	1,083,223
Deferred Tax (Expense)/Income	(1,161,223)	2,525,984
Deferred Tax Accounted Under Equity	1,824,586	2,138,611
<b>Deferred Tax Asset</b>	<b>6,411,181</b>	<b>5,747,818</b>

**1.16. Explanations on assets held for sale and discontinued operations**

	Current Period	Prior Period
Opening Balance	428,585	117,719
Additions	65,611	350,438
Transfers from Tangible Assets	-	-
Disposals (-), Net	115,680	39,572
Transfer to Tangible Assets	-	-
Amortization Cost (-)	-	-
Provision for Impairment (-)	-	-
<b>Closing Net Book Value</b>	<b>378,516</b>	<b>428,585</b>

**1.17. Information on other assets**

As of balance sheet date, the Bank's other assets amount to TL 11,015,440 (31 December 2023 – TL 2,356,306). Other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

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**2. Explanations and notes related to liabilities**

**2.1 Information on funds collected**

**2.1.1 Information on maturity structure of funds collected**

Current Period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total (*)
<b>I. Real persons current accounts-TL</b>	<b>38,489,489</b>	-	-	-	-	-	-	-	<b>38,489,489</b>
<b>II. Real persons profit sharing accounts TL</b>	-	<b>15,351,208</b>	<b>90,038,228</b>	<b>3,618,998</b>	-	<b>20,535,713</b>	<b>5,706,075</b>	<b>10,083</b>	<b>135,260,305</b>
<b>III. Another current accounts-TL</b>	<b>34,635,652</b>	-	-	-	-	-	-	-	<b>34,635,652</b>
Public sector	2,678,780	-	-	-	-	-	-	-	2,678,780
Commercial sector	31,160,388	-	-	-	-	-	-	-	31,160,388
Other institutions	606,383	-	-	-	-	-	-	-	606,383
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	190,101	-	-	-	-	-	-	-	190,101
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	189,348	-	-	-	-	-	-	-	189,348
Participation banks	733	-	-	-	-	-	-	-	733
Others	20	-	-	-	-	-	-	-	20
<b>IV. Profit sharing accounts-TL</b>	-	<b>1,445,180</b>	<b>9,203,468</b>	<b>1,007,125</b>	-	<b>10,820,568</b>	<b>134,861</b>	<b>20</b>	<b>22,611,222</b>
Public sector	-	1,992	8,440	13,801	-	725,270	221	-	749,724
Commercial sector	-	1,040,431	7,464,290	942,845	-	9,660,589	133,917	20	19,242,092
Other institutions	-	398,628	1,390,419	40,390	-	178,155	723	-	2,008,315
Commercial and other institutions	-	4,129	340,277	10,089	-	256,554	-	-	611,049
Banks and participation banks	-	-	42	-	-	-	-	-	42
<b>V. Real persons current accounts-FC</b>	<b>97,952,919</b>	-	-	-	-	-	-	-	<b>97,952,919</b>
<b>VI. Real persons profit sharing accounts-FC</b>	-	<b>14,617,547</b>	<b>15,377,216</b>	<b>1,556,677</b>	-	<b>1,936,835</b>	<b>1,855,718</b>	<b>26,576</b>	<b>35,370,569</b>
<b>VII. Another current accounts-FC</b>	<b>34,708,149</b>	-	-	-	-	-	-	-	<b>34,708,149</b>
Commercial residents in Türkiye	28,904,042	-	-	-	-	-	-	-	28,904,042
Commercial residents in Abroad	4,613,754	-	-	-	-	-	-	-	4,613,754
Banks and participation banks	1,190,353	-	-	-	-	-	-	-	1,190,353
Central Bank of Republic of Türkiye	843,669	-	-	-	-	-	-	-	843,669
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	342,948	-	-	-	-	-	-	-	342,948
Participation banks	3,736	-	-	-	-	-	-	-	3,736
Others	-	-	-	-	-	-	-	-	-
<b>VIII. Profit sharing accounts- FC</b>	-	<b>690,786</b>	<b>1,373,593</b>	<b>39,866</b>	-	<b>174,630</b>	<b>60,748</b>	<b>223</b>	<b>2,339,846</b>
Public sector	-	10	109,916	-	-	-	-	-	109,926
Commercial sector	-	363,016	861,072	35,676	-	174,594	60,748	223	1,495,329
Other institutions	-	13,296	250,655	2,537	-	36	-	-	266,524
Commercial and other institutions	-	314,464	151,950	1,653	-	-	-	-	468,067
Banks and participation banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious metal funds</b>	<b>108,747,227</b>	<b>13,813,316</b>	<b>6,740,737</b>	<b>1,228,772</b>	-	<b>785,330</b>	<b>60,920</b>	-	<b>131,376,302</b>
<b>X. Profit sharing accounts special funds - TL</b>	-	-	<b>42,778</b>	<b>4,900</b>	-	<b>21,915,304</b>	<b>1,210,927</b>	-	<b>23,173,909</b>
Residents in Türkiye	-	-	42,778	4,900	-	20,958,686	232,355	-	21,238,719
Residents Abroad	-	-	-	-	-	956,618	978,572	-	1,935,190
<b>XI. Profit sharing accounts special funds - FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (**)</b>	<b>314,533,436</b>	<b>45,918,037</b>	<b>122,776,020</b>	<b>7,456,338</b>	-	<b>56,168,380</b>	<b>9,029,249</b>	<b>36,902</b>	<b>555,918,362</b>

(\*) There are no 7 days notification accounts of the Bank.

(\*\*) As of 30 September 2024, the Bank has TL 73,287,346 (31 December 2023; TL 116,495,635) foreign currency protected TL time deposit accounts, including TL 73,241,013 (31 December 2023; TL 85,258,512) opened within the scope of the 'Communiqué on Supporting Conversion to Turkish Lira Deposit and Participation Accounts' published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696 and TL 46,332 (31 December 2023; TL 31,237,123) opened within the scope of the announcement of the Ministry of Treasury and Finance ('Treasury') dated 24 December 2021 and the foreign exchange valuation differences of TL 6,573,553 (31 December 2023; TL 19,428,176) calculated as of the balance sheet date related to these time deposit accounts are included in other assets in assets and other liabilities in liabilities.



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Prior Period	Demand	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Accumulated profit sharing accounts	Total (*)
<b>I. Real persons current accounts-TL</b>	<b>28,237,630</b>	-	-	-	-	-	-	-	<b>28,237,630</b>
<b>II. Real persons profit sharing accounts TL</b>	-	<b>11,540,673</b>	<b>71,351,967</b>	<b>5,388,093</b>	-	<b>12,050,702</b>	<b>3,090,927</b>	<b>14,651</b>	<b>103,437,013</b>
<b>III. Another current accounts-TL</b>	<b>25,691,962</b>	-	-	-	-	-	-	-	<b>25,691,962</b>
Public sector	597,601	-	-	-	-	-	-	-	597,601
Commercial sector	24,626,713	-	-	-	-	-	-	-	24,626,713
Other institutions	320,272	-	-	-	-	-	-	-	320,272
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	147,376	-	-	-	-	-	-	-	147,376
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	24	-	-	-	-	-	-	-	24
Foreign banks	147,336	-	-	-	-	-	-	-	147,336
Participation banks	13	-	-	-	-	-	-	-	13
Others	3	-	-	-	-	-	-	-	3
<b>IV. Profit sharing accounts-TL</b>	-	<b>14,769,092</b>	<b>8,585,515</b>	<b>1,884,335</b>	-	<b>5,794,661</b>	<b>81,730</b>	<b>74</b>	<b>31,115,407</b>
Public sector	-	224	5,188	-	-	273,294	284	-	278,990
Commercial sector	-	14,515,707	7,379,274	1,752,982	-	5,316,871	80,864	74	29,045,772
Other institutions	-	246,208	799,173	28,027	-	82,063	582	-	1,156,053
Commercial and other institutions	-	6,953	401,848	103,326	-	122,433	-	-	634,560
Banks and participation banks	-	-	32	-	-	-	-	-	32
<b>V. Real persons current accounts-FC</b>	<b>88,598,190</b>	-	-	-	-	-	-	-	<b>88,598,190</b>
<b>VI. Real persons profit sharing accounts-FC</b>	-	<b>15,876,483</b>	<b>13,162,188</b>	<b>1,566,496</b>	-	<b>2,560,758</b>	<b>2,087,729</b>	<b>19,860</b>	<b>35,273,514</b>
<b>VII. Another current accounts-FC</b>	<b>30,214,741</b>	-	-	-	-	-	-	-	<b>30,214,741</b>
Commercial residents in Türkiye	25,977,273	-	-	-	-	-	-	-	25,977,273
Commercial residents in Abroad	3,781,821	-	-	-	-	-	-	-	3,781,821
Banks and participation banks	455,647	-	-	-	-	-	-	-	455,647
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	629	-	-	-	-	-	-	-	629
Foreign banks	448,379	-	-	-	-	-	-	-	448,379
Participation banks	6,639	-	-	-	-	-	-	-	6,639
Others	-	-	-	-	-	-	-	-	-
<b>VIII. Profit sharing accounts- FC</b>	-	<b>18,285,304</b>	<b>1,409,534</b>	<b>48,836</b>	-	<b>104,774</b>	<b>13,720</b>	<b>138</b>	<b>19,862,306</b>
Public sector	-	30	94,311	-	-	-	-	-	94,341
Commercial sector	-	11,663,322	898,196	46,620	-	104,752	13,720	138	12,726,748
Other institutions	-	6,517,503	32,110	2,172	-	22	-	-	6,551,807
Commercial and other institutions	-	104,449	384,917	44	-	-	-	-	489,410
Banks and participation banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious metal funds</b>	<b>70,915,059</b>	<b>9,454,219</b>	<b>4,872,520</b>	<b>777,226</b>	-	<b>558,685</b>	<b>36,080</b>	-	<b>86,613,789</b>
<b>X. Profit sharing accounts special funds - TL</b>	-	-	<b>1,563,263</b>	<b>4,050,088</b>	-	<b>49,028,063</b>	<b>3,824,907</b>	-	<b>58,466,321</b>
Residents in Türkiye	-	-	1,563,263	4,050,088	-	48,266,714	3,309,678	-	57,189,743
Residents Abroad	-	-	-	-	-	761,349	515,229	-	1,276,578
<b>XI. Profit sharing accounts special funds - FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>243,657,582</b>	<b>69,925,771</b>	<b>100,944,987</b>	<b>13,715,074</b>	-	<b>70,097,643</b>	<b>9,135,093</b>	<b>34,723</b>	<b>507,510,873</b>

(\*) There are no 7 days notification accounts of the Bank.

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**2.1.2 Information's on current and profit share accounts that are in the scope of Saving Deposit/Saving Deposit Insurance Fund**

**2.1.2.1 Current and Participation Accounts Attributable to Real and Legal Entities/Persons under the Guarantee of Saving Deposit Insurance Fund Exceeding the Limit of the Deposit Insurance Fund**

	Under the guarantee of saving deposit insurance		Exceeding the limit of saving deposit	
	Current Period	Prior Period	Current Period	Prior Period
Real and legal persons current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	94,136,119	69,519,844	155,502,089	176,376,582
FC accounts	133,594,743	95,973,791	166,475,107	164,268,235
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except for foreign branches) through current and profit share accounts which are opened by real and legal persons and denominated in Turkish Lira or foreign currency with a limit of maximum of TL 650 (including both capital and profit shares) for each person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law No. 5411 which issued in official gazette no. 25893 on 1 November 2005.

**2.1.2.2 If the headquarters of the Bank is abroad and the deposit account in its Turkish branch is in the scope of the insurance policy in the country of the headquarter of the Bank is founded, it should be explained**

The headquarters of the Bank is in Türkiye.

**2.1.2.3 Current and Profit Share Accounts of the real persons who are not in the scope of Saving Deposits Insurance Fund**

The Bank has no current or profit-sharing accounts which are not under the guarantee of the Saving Deposit Insurance Fund except for the current and profit-sharing accounts of shareholders, member of Board of Directors, CEO, the Vice Presidents and their first-degree relatives.

	Current Period	Prior Period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	-	-
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father, spouse and children in care	51,668	15,167
Profit sharing account and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26 September 2004	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in offshore banking activities solely	-	-

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**2.2 Information on derivative financial liabilities held for trading**

Derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	162,593	23,399	69,460	17,654
Swap Transactions	898,437	385,498	30,382	860,303
<b>Total</b>	<b>1,061,030</b>	<b>408,897</b>	<b>99,842</b>	<b>877,957</b>

**2.3 Information on funds borrowed**

**2.3.1 Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks and Institutions	25,442,967	91,353,000	9,211,884	44,343,337
From Foreign Banks, Institutions and Funds	653,371	30,996,250	53,371	19,418,755
<b>Total</b>	<b>26,096,338</b>	<b>122,349,250</b>	<b>9,265,255</b>	<b>63,762,092</b>

**2.3.2 Information on maturity structure of borrowings**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	25,986,167	113,807,607	9,265,255	61,176,296
Medium and Long-Term	110,171	8,541,643	-	2,585,796
<b>Total</b>	<b>26,096,338</b>	<b>122,349,250</b>	<b>9,265,255</b>	<b>63,762,092</b>

**2.3.3 Explanations related to the concentrations of the Bank's major liabilities**

Most of the bank's loans consist of foreign currency loans. There is no risk concentration of the Bank's current and profit-sharing accounts.

**2.4 Information on other liabilities and miscellaneous payables**

As of 30 September 2024, other liabilities amount to TL 10,695,013 (31 December 2023 – TL 2,917,796), sundry creditors amount to TL 7,591,743 (31 December 2023 - TL 3,770,293), both do not exceed 10% of the balance sheet total.

**2.5 Information on finance lease payables (net)**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	44,964	42,199	30,361	28,706
1 to 4 years	74,312	56,204	42,044	32,373
More than 4 years	1,958,533	1,236,691	1,325,234	822,306
<b>Total</b>	<b>2,077,809</b>	<b>1,335,094</b>	<b>1,397,639</b>	<b>883,385</b>

Bank used FTP (Fund Transfer Pricing) rates as an alternative borrowing rate of profit. Relevant ratios are revised and revised in 2-week periods. The change in Participation Bank payments uses an unmodified discount rate unless the variable profit share rate is related. If the change in the lease payments results from variable profit share rates (LIBOR, EURIBOR), the lessee used a revised discount rate reflecting changes in the profit share rate.

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**2.5.1. Explanations on contract changes and the new obligations these changes bring to the Bank**

None (31 December 2023 – None).

**2.5.1.1. Explanations on financial leasing obligations**

None (31 December 2023 – None).

**2.5.1.2. Explanations on operating lease**

Leasing is classified as an operating lease in which the lessor holds all the risks and benefits of that asset. Such transactions include lease agreements belonging to branches, which can be cancelled with prior notice.

There are no significant obligations imposed by the changes in the contract related to the operating lease to the Bank.

The bank registers its lease payments based on operating lease agreements with equal amounts of expenses during the lease term.

**2.6. Information on hedging derivative financial liabilities**

None (31 December 2023 – None).

**2.7. Information on provisions**

**2.7.1 Information on provisions related with foreign currency evaluation difference of foreign currency indexed loans**

None (31 December 2023 – None).

**2.7.2 Information on other provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions for Non-Cash Loans That Are Not Indemnified Converted Into Cash	673,325	569,527
General Provisions for Non-Cash Loans	626,801	964,137
Provision for Profits Will Be Allocated to Participation Accounts	1,743,609	887,567
Credit Cards of Banking Services Applications	5,301	8,905
Other (*)	782,813	469,509
<b>Total</b>	<b>3,831,849</b>	<b>2,899,645</b>

(\*) The other item mainly consists of TL 491,773 (31 December 2023 – TL 393,760) litigation provision, TL 14,160 (31 December 2023 – TL 12,009) expense provision, TL 112,146 (31 December 2023 – TL 59,455) other provision.

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**2.7.3 Information on provisions for employee benefits**

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 1,383,840 (31 December 2023 – TL 1,095,389), vacation pay liability amounting to TL 84,513 (31 December 2023 – TL 6,107), performance premium amounting to TL 881,173 (31 December 2023 – TL 1,004,875), retirement bonuses on payment of TL 581,024 (31 December 2023 – TL 426,049), committee fee amounting to TL 94,360 (31 December 2023 – TL 94,335) and other fees amounting to TL 34,137 (31 December 2023 – TL 29,432).

Under the Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires or earns the right to retire.

The compensation to be paid is up to one month's salary for each service year and this amount is limited to TL 41,828.42 (full TL amount) (31 December 2023 – TL 23,489.83 (full TL amount)). The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	<b>Current Period</b>	<b>Prior Period</b>
Discount rate (%)	28.03	28.03
Inflation rate (%)	24.35	24.35
Salary increases rate (%)	24.85	24.85

Movements in the reserve for employment termination benefits during period are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Prior period end balance	1,095,389	614,054
Provisions recognized during the period	352,164	189,371
Paid during the period	(63,713)	(49,751)
Actuarial loss	-	341,715
<b>Balances at the end of the period</b>	<b>1,383,840</b>	<b>1,095,389</b>

**2.8 Explanations on tax liability**

**2.8.1. Explanations on current tax liability**

**2.8.1.1 Information on tax provisions**

As of the balance sheet date, the Bank has a corporate tax liability of TL 6,876,264 (31 December 2023: TL 9,586,270) and prepaid tax of TL 6,105,717 (31 December 2023: TL 6,201,619). The Bank clearly indicated the corporate tax liability and prepaid tax in the financial statements.

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**2.8.1.2 Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Taxation of marketable securities	474,796	97,908
Taxation of immovable property	9,244	5,524
Banking Insurance Transaction Tax (BITT)	459,820	244,771
Foreign Exchange Transaction Tax	26,000	24,591
Value Added Tax Payable	57,969	30,802
Income tax deducted from wages	156,548	100,916
Income tax payable	23,948	126,672
Other	10,148	6,248
<b>Total</b>	<b>1,218,473</b>	<b>637,432</b>

**2.8.1.3 Information on premiums (\*)**

	<b>Current Period</b>	<b>Prior Period</b>
Social Insurance Premiums-Employee	84,037	89,048
Social Insurance Premiums-Employer	94,323	98,276
Unemployment insurance-Employee	6,001	6,358
Unemployment insurance-Employer	12,547	13,390
Other	-	10
<b>Total</b>	<b>196,908</b>	<b>207,082</b>

(\*) Included in Other Liabilities in the balance sheet.

**2.8.1.4 Information on deferred tax liability**

As of 30 September 2024, deferred tax has been netted off as TL 6,411,180 in the balance sheet within the scope of the relevant regulations. Deferred tax asset is calculated as TL 8,267,261 (31 December 2023 – TL 6,477,294) and deferred tax liability is TL 1,856,080 (31 December 2023 – TL 729,476).

**2.9 Information on payables related to assets held for sale**

None (31 December 2023 - None).

**2.10 Information on subordinated loans**

Not prepared in accordance with Article 25 of the Communiqué on Financial Statements to be Announced to Public by Banks and Related Disclosures and Notes.

**2.11 Information on shareholders' equity**

**2.11.1 Presentation of paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common shares	4,952,205	4,600,000
Preference shares	-	-
Repurchased shares amount (*)	(4,869)	(4,869)
<b>Total</b>	<b>4,947,336</b>	<b>4,595,131</b>

(\*) It represents the Bank's acquisition of its own shares as a result of the Bank's shareholders not using their right of preference according to the commitment made in the capital increase in the Bank.

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**2.11.2 Amount of paid-in capital, disclosure on whether the Bank applies the registered share capital system, and, if so, the ceiling amount of the registered share capital**

Registered capital system is not applied in the Bank.

**2.11.3 Information on the share capital increases during the period and their sources, other information on increased capital shares in the current period**

None.

**2.11.4 Information on share capital increases from capital reserves during the current period**

None.

**2.11.5 Possible effect of estimations made for the Bank’s revenues, profitability and liquidity on equity considering prior period indicators and uncertainties**

Based on the evaluation made considering the Bank’s prior and current period indicators related to net profit share and commission income, it is observed that the Bank continues its operations profitably.

**2.11.6 Summary of privileges given to shares representing the capital**

None (31 December 2023 - None).

**2.11.7 Information on marketable securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference (*)	(5,709,109)	437,824	(1,263,418)	240,265
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(5,709,109)</b>	<b>437,824</b>	<b>(1,263,418)</b>	<b>240,265</b>

(\*) Valuation difference is calculated taking the tax effect of the rent certifications in the account, which are classified as “Government Debt Securities” and “Other Marketable Securities” under financial assets at fair value through other comprehensive income in the balance sheet.

**2.12 Information on minority shares**

None (31 December 2023 - None).

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**3. Explanations and notes related to off-balance sheet contingencies and commitments**

**3.1 Explanations on off-balance sheet accounts**

**3.1.1** As at 30 September 2024, credit card spending limit commitments amounting to TL 66,276,802 (31 December 2023 - TL 33,913,418); payment commitments for cheques amounting to TL 5,491,053 (31 December 2023 - TL 3,861,133).

**3.1.2 Types and amounts of probable losses and obligations arising from off-balance sheet items including below items**

**3.1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits**

As of 30 September 2024, the Bank has guarantees and surety ships constituting of TL 73,278,161 (31 December 2023 – TL 49,506,065) of letters of guarantee; TL 659,066 (31 December 2023 – TL 183,196) of acceptances and TL 12,887,799 (31 December 2023 – TL 8,886,327) of letters of credit. Also, the Bank has other acceptances amounting to TL 6,163,542 (31 December 2023 – TL 3,011,311).

**3.1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies: There are no other than those explained in 2.i.).**

**3.1.3 Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against cash loans	309,566	185,547
With original maturity of 1 year or less	309,566	185,547
With original maturity of more than 1 year	-	-
Other non-cash loans	92,679,002	61,401,352
<b>Total</b>	<b>92,988,568</b>	<b>61,586,899</b>

**3.1.4 Information on sector-based risk concentration in non-cash loans**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**3.1.5 Information on non-cash loans classified in Stage I and II**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**3.2 Explanations on derivative transactions**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**3.3 Explanations on credit derivatives and their risks**

None.

**3.4 Explanations on contingent liabilities and assets**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**3.5 Explanations on services provided to other names and accounts**

None.



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**3.6 Summary information on the rating of the bank to international rating agencies**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**4. Explanations and notes related to the statement of income**

**4.1 Information on profit share income**

**4.1.1 Information on profit share received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Profit share on loans</b>	<b>55,583,023</b>	<b>7,219,471</b>	<b>19,903,172</b>	<b>3,901,120</b>
Short-term loans	32,418,273	2,757,224	11,993,618	1,432,456
Medium and long-term loans	22,836,990	4,392,217	7,691,261	2,407,875
Profit share on non-performing loans	327,760	70,030	218,293	60,789
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>55,583,023</b>	<b>7,219,471</b>	<b>19,903,172</b>	<b>3,901,120</b>

**4.1.2 Information on profit share received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of the Republic of Türkiye	13,629	-	49,481	-
Domestic Banks	76,035	-	33,729	-
Foreign Banks	30,000	411,996	681	340,998
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>119,664</b>	<b>411,996</b>	<b>83,891</b>	<b>340,998</b>

**4.1.3 Information on profit share income from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value through Profit or Loss	85,484	726,676	90,831	350,130
Financial Assets at Fair Value Through Other Comprehensive Income	8,166,270	784,404	9,498,564	956,078
Financial Assets valued at Amortized Cost	6,527,006	1,412,027	1,517,041	933,745
<b>Total</b>	<b>14,778,760</b>	<b>2,923,107</b>	<b>11,106,436</b>	<b>2,239,953</b>

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**4.1.4 Information on profit share income received from associates and subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Profit share income received from associates and subsidiaries	6,617	3,078

**4.2 Information on profit share given to loans used**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	925,739	1,205,981	74,607	576,802
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	708,624	24,674	69,599	9,610
Foreign banks	217,115	1,181,307	5,008	567,192
Branches and head office abroad	-	-	-	-
Other Institutions	4,532,580	2,986,366	176,867	1,518,682
<b>Total</b>	<b>5,458,319</b>	<b>4,192,347</b>	<b>251,474</b>	<b>2,095,484</b>

**4.2.1 Profit share expense given to associates and subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Profit share expenses given to associates and subsidiaries	1,990,404	737,351

**4.2.2 Profit share expense paid to securities issued**

None (1 January - 30 September 2023 - None).

**4.3 Information on dividend income**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

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**4.4 Distribution of profit share on funds based on maturity of funds**

Current Period	Profit sharing accounts							Cumulative participation account	Total
	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year			
<b>Account name</b>									
<b>TL</b>									
Collected funds from banks through current and profit share accounts	-	9	-	-	-	-	-	-	9
Real person's non-trading profit sharing account	3,305,194	19,763,116	1,538,830	-	12,239,061	1,665,745	1,623	38,513,569	
Public-sector profit-sharing account	785	1,828	1,918	-	6,212	67	-	10,810	
Commercial sector profit sharing account	313,691	2,036,152	553,535	-	1,584,777	105,034	-	4,593,189	
Other institutions profit sharing account	64,729	434,028	22,741	-	62,624	503	-	584,625	
<b>Total</b>	<b>3,684,399</b>	<b>22,235,133</b>	<b>2,117,024</b>	<b>-</b>	<b>13,892,674</b>	<b>1,771,349</b>	<b>1,623</b>	<b>43,702,202</b>	
<b>FC</b>									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing account	94,863	86,798	9,469	-	14,242	12,978	400	218,750	
Public-sector profit-sharing account	-	672	-	-	-	-	-	672	
Commercial sector profit sharing account	3,831	5,801	205	-	176	48	-	10,061	
Other institutions profit sharing account	1,423	2,743	18	-	-	-	-	4,184	
Precious metal accounts	11,679	6,156	1,055	-	813	-	-	19,703	
<b>Total</b>	<b>111,796</b>	<b>102,170</b>	<b>10,747</b>	<b>-</b>	<b>15,231</b>	<b>13,026</b>	<b>400</b>	<b>253,370</b>	
<b>Grand Total</b>	<b>3,796,195</b>	<b>22,337,303</b>	<b>2,127,771</b>	<b>-</b>	<b>13,907,905</b>	<b>1,784,375</b>	<b>2,023</b>	<b>43,955,572</b>	
Prior Period	Profit sharing accounts							Cumulative participation account	Total
Account name	Up to 1 months	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year			
<b>TL</b>									
Collected funds from banks through current and profit share accounts	-	3	-	-	-	-	-	-	3
Real person's non-trading profit sharing account	1,317,569	7,822,578	751,094	-	2,152,033	259,994	1,371	12,304,639	
Public-sector profit-sharing account	38	520	-	-	946	-	-	1,504	
Commercial sector profit sharing account	101,778	805,449	286,479	-	339,994	4,419	-	1,538,119	
Other institutions profit sharing account	25,330	86,873	25,362	-	13,820	91	-	151,476	
<b>Total</b>	<b>1,444,715</b>	<b>8,715,423</b>	<b>1,062,935</b>	<b>-</b>	<b>2,506,793</b>	<b>264,504</b>	<b>1,371</b>	<b>13,995,741</b>	
<b>FC</b>									
Banks	-	-	-	-	-	-	-	-	
Real person's non-trading profit sharing account	73,044	60,230	8,989	-	25,982	23,742	213	192,200	
Public-sector profit-sharing account	-	444	-	-	-	-	-	444	
Commercial sector profit sharing account	1,867	2,319	387	-	185	64	-	4,822	
Other institutions profit sharing account	814	1,750	11	-	128	-	-	2,703	
Precious metal accounts	7,043	3,865	586	-	504	-	-	11,998	
<b>Total</b>	<b>82,768</b>	<b>68,608</b>	<b>9,973</b>	<b>-</b>	<b>26,799</b>	<b>23,806</b>	<b>213</b>	<b>212,167</b>	
<b>Grand Total</b>	<b>1,527,483</b>	<b>8,784,031</b>	<b>1,072,908</b>	<b>-</b>	<b>2,533,592</b>	<b>288,310</b>	<b>1,584</b>	<b>14,207,908</b>	

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**4.5 Information on trade profit/loss (net)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Trade profit/loss (net)</b>	<b>3,483,526</b>	<b>8,519,892</b>
<b>Profit</b>	<b>144,217,809</b>	<b>98,892,295</b>
Gain on capital market transactions	4,380,088	1,448,691
Gain on derivative financial instruments	33,365,519	15,130,901
Foreign exchange profit	106,472,202	82,312,703
<b>Loss (-)</b>	<b>(140,734,283)</b>	<b>(90,372,403)</b>
Losses on capital market transactions	(39,912)	(12,176)
Losses on derivative financial instruments	(29,266,932)	(6,718,648)
Foreign exchange losses	(111,427,439)	(83,641,579)

**4.6 Information on other operating income**

The details of other operating income are presented below. There are no unusual items in the other operating income which materially affect the income of the Bank.

	<b>Current Period</b>	<b>Prior Period</b>
Reversal of prior period provisions	7,292,829	1,136,837
Income from sales of assets	294,434	346,162
Cancellations of Provisions from Profits to be Distributed to Participation Accounts	255,498	248,293
Rental income	12,391	3,035
Other Income	145,369	47,264
<b>Total</b>	<b>8,000,521</b>	<b>1,781,591</b>

**4.7 Provisions for loan losses and other receivables of the Bank**

	<b>Current Period(*)</b>	<b>Prior Period(*)</b>
<b>Expected Credit Loss</b>	<b>3,909,459</b>	<b>5,606,040</b>
12 month expected credit loss (Stage 1)	-	2,496,293
Significant increase in credit risk (Stage 2)	881,537	1,495,972
Non-performing loans (Stage 3)	3,027,922	1,613,775
<b>Marketable Securities Impairment Expense</b>	<b>139,874</b>	<b>48,650</b>
Financial Assets at Fair Value through Profit or Loss	139,874	48,650
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
<b>Impairment losses from Associates, Subsidiaries and Jointly Controlled Entities</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other (**)</b>	<b>1,129,314</b>	<b>390,698</b>
<b>Total</b>	<b>5,178,647</b>	<b>6,045,388</b>

(\*) Includes the provisions in the "Other Provision Expenses" line in the Income Statement.

(\*\*) Also includes provisions that can be allocated from profit to be distributed to participation accounts according to provisions regulation.

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**4.8 Information on other operating expenses**

	Current Period	Prior Period
Provision for retirement pay liability	288,451	107,531
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	665,350	386,903
Impairment Expenses of intangible fixed assets	-	-
Depreciation expenses of intangible assets	422,361	146,995
Depreciation expenses of assets held for sale	-	-
Other operating expenses	<b>2,784,906</b>	1,527,727
<i>Lease Expenses Regarding TFRS 16 Exemptions</i>	593	1,469
<i>Maintenance expenses</i>	533,776	262,924
<i>Advertisement expenses</i>	204,994	82,290
<i>Communication expenses</i>	296,480	168,747
<i>Heating, electricity and water expenses</i>	94,038	101,396
<i>Cleaning expenses</i>	46,573	21,979
<i>Vehicle expenses</i>	62,680	35,507
<i>Stationery expenses</i>	63,853	38,212
<i>Other expenses(**)</i>	1,481,919	815,203
Losses on sales of assets	820	5,803
Deposit insurance fund expenses	1,185,202	812,938
Other (*)	1,954,145	601,946
<b>Total</b>	<b>7,301,235</b>	<b>3,589,843</b>

(\*) "Other" mainly includes the amounts related to "Financial activity fees" in the amount of TL 408,645 (30 September 2023 – TL 171,537), "Banking and insurance transaction tax" in the amount of TL 706,525 (30 September 2023 – TL 162,721), "Contracted lawyer and legal consultancy" in the amount of TL 255,087 (30 September 2023 – TL 40,892) and "Other" expenses in the amount of TL 583,888 (30 September 2023 – TL 226,796).

(\*\*) "Other" mainly includes the amounts related to "Promotion Expenses" amounting to TL 713,963 (30 September 2023 – TL 359,697), "Catering Personnel Service Expense" amounting to TL 331,707 (30 September 2023 – TL 166,767), "Employee Brand and Internal Communication Expenses" amounting to TL 65,897 (30 September 2023 – TL 27,516) and "Other" expenses amounting to TL 370,352 (30 September 2023 – TL 222,842).

**4.9 Information on profit/loss from continued and discontinued operations before taxes**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**4.10 Information on tax provision for continued and discontinued operations**

Current period tax provision for the period amounting to TL 6,600,503 (1 January-30 September 2023 - TL 6,044,351), deferred tax income of TL 451,342 (1 January-30 September 2023 – TL 1,432,353) and TL 1,612,565 (1 January-30 September 2023 - TL 609,575) deferred tax expense is recognized.

**4.11 Information on net income/loss from continued and discontinued operations**

There is no profit/loss arising from discontinued operations within the operating profit/loss after tax.

**4.12 Information on net profit/loss**

**4.12.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period**

As at 30 September 2024, net profit share income amounting to TL 35,446,776 (1 January-30 September 2023 - TL 23,745,520). Net fee and commission income amounting to TL 6,126,151 (1 January-30 September 2023 - TL 1,980,614).

**4.12.2 Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods**

None (1 January-30 September 2023 – None).

**4.12.3 Profit/Loss attributable to minority interest**

None (30 September 2023 – None).

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**4.13 Details of sub accounts comprising at least 20% of other items in income statement, exceeding 10% of total income statement**

As of 30 September 2024, other fees and commissions received amounting to TL 12,311,529 (1 January-30 September 2023 - TL 3,946,670) of which TL 5,350,294 (1 January-30 September 2023 - TL 1,295,460) is from credit card fees and commissions TL 3,855,577 (1 January-30 September 2023 - TL 942,963) consists of merchant POS transaction commissions and TL 3,105,658 (1 January-30 September 2023 - TL 1,708,247) consists of other commissions.

As of 30 September 2024, other fees and commissions amounting to TL 6,718,631 (1 January-30 September 2023 - TL 2,245,999) consist of POS commissions and installation expenses amounting to TL 5,231,160 (1 January-30 September 2023 - TL 1,080,625), fees and commissions paid for credit cards amounting to TL 527,783 (1 January-30 September 2023 - TL 355,306) and other commissions amounting to TL 959,688 (1 January-30 September 2023 - TL 810,068).

**5. Explanations and Notes Related to Statement of Changes in Shareholders' Equity**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**6. Explanations and Notes Related to Statement of Cash Flows**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**7. Explanations and notes related to risk group of the Bank**

**7.1 The volume of transactions related to the risk group of the Bank, the loans and funds collected which have not been completed at the end of the period and the income and expenses related to the period**

Current Period:

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and other receivables</b>						
Balance at beginning of period	736,761	73,084	29,238	82,280	2,974,543	20,322
Balance at end of period	483,563	92,837	37,420	102,036	843	3,638
Profit share and commission income	5,661	956	2,004	612	169	-

(\*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

Prior Period:

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and other receivables</b>						
Balance at beginning of period	471,573	52,699	26,634	45,210	2,176,543	1,849
Balance at end of period	736,761	73,084	29,238	82,280	2,974,543	20,322
Profit share and commission income	2,557	521	3,144	360	442	-

(\*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

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**7.2 Information on current and profit-sharing accounts of the Bank's risk group**

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Current and profit-sharing accounts</b>						
Balance at beginning of period	3,936,961	386,651	502,954	219,676	750,296	454,287
Balance at end of period	1,932,753	3,936,961	263,827	502,954	1,013,788	750,296
Profit share and commission income	93,420	9,788	31,447	9,639	6,863	425

(\*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

**7.3 Forward and option agreements and other similar agreements with the risk group of the Bank**

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions at Fair Value through Profit or Loss:</b>						
Balance at beginning of period	3,758,803	2,697,940	2,361,778	842,005	-	-
Balance at end of period	2,054,465	3,758,803	3,451,046	2,361,778	-	-
Total Profit / (Loss)	(129,171)	(3,756)	(1,267)	15,624	-	-
<b>Hedging Transactions:</b>						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / (Loss)	-	-	-	-	-	-

(\*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

**7.4 Information on loans received from the Bank's risk group**

Risk group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group (*)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Borrowings</b>						
Balance at beginning of period	26,557,884	10,068,825	9,195,276	957,272	-	-
Balance at end of period	28,481,153	26,557,884	13,957,678	9,195,276	-	-
Profit share expense	1,896,984	727,563	302,750	182,981	-	-

(\*) Defined in the Subsection 2, Article 49 of the Banking Law No. 5411.

**7.5 Information on subordinated loans used by the Bank's from its risk group**

The entire additional capital-like capital (Tier-I) sukuk of USD 200,000,000 (full amount) realized by the Bank on 16 July 2019, and the entire equity-like additional principal capital (Tier-I) sukuk of USD 50,000,000 (full amount) realized by the Bank on 28 September 2020, belong to Kuwait Finance House. USD 35,000,000 (full amount) of the USD 350,000,000 (full amount) subordinated capital (Tier-II) sukuk executed by the Bank on 16 September 2021 belongs to Kuwait Finance House.

**7.6 Information on remunerations provided to top management**

As of 1 January – 30 September 2024, the Bank has paid TL 425,415 to top management (1 January – 30 September 2023-TL 237,333).

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**8. Information about the branches of the Bank in domestic, foreign and coastal banking regions and their representative offices abroad**

This Note has not been prepared in accordance with Article 25 of The Communiqué on the Financial Statements about disclosures to be announced to Public by The Banks.

**9. Significant events and matters arising subsequent to balance sheet date**

None.



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**SECTION SIX**

**OTHER EXPLANATIONS**

**1. Other matters which must be explained in terms of explicitness, interpretability and understandability of the balance sheet:**

None.

**SECTION SEVEN**

**REVIEW REPORT**

**1. Explanations on the limited review report**

The unconsolidated financial statements have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Deloitte Touche Tohmatsu Limited) and the independent auditors' limited review report dated 14 November 2024 is presented preceding the financial statements.

**2. Notes and disclosures prepared by the independent auditor: None.**

**SECTION EIGHT**

**INTERIM ACTIVITY REPORT**

**1. Explanations on interim annual report including the evaluations of interim activities of the Chairman of the Board of Directors and General Manager**

**1.1 About Kuveyt Türk**

Kuveyt Türk Katılım Bankası A.Ş. ("The Bank") was incorporated with the approval of the Central Bank of the Republic of Türkiye (CBRT) on 28 February 1989 and commenced its operations on 31 March 1989, with the name of Kuveyt Türk Evkaf Finans Kurumu A.Ş. To comply with the Banking Act 5411, the title of the Bank has been changed to Kuveyt Türk Katılım Bankası A.Ş. with a change in the Articles of Association which was approved in the annual general meeting dated 26 April 2006. Main field of operation is, in addition to the Bank's equity, to collect funds from domestic and foreign customers through "Current Accounts" and "Profit/ Loss Sharing Accounts" and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

As of 30 September 2024, 57.81% of the Bank's shares are owned by Kuwait Finance House located in Kuwait, 24.49% by Vakıflar Genel Müdürlüğü Mazbut Vakıfları, 8.36% by Wafra International Investment Company in Kuwait and 8.36% by Islamic Development Bank whereas the remaining 0.98% of the shares are owned by other real persons and legal entities.

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**1.2 Financial information summary**

<b>UNCONSOLIDATED BALANCE SHEET (SELECTED ITEMS)</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
CASH BALANCES AND CENTRAL BANK	188,526,018	140,375,428
BANKS	55,508,481	18,113,412
SECURITIES	139,252,250	173,938,252
LOANS AND RECEIVABLES	372,290,481	298,179,098
FINANCE LEASE RECEIVABLES (NET)	50,149,431	37,119,783
EXPECTED LOSS PROVISIONS (-)	14,592,005	17,932,509
TANGIBLE ASSETS (NET)	4,502,158	3,466,228
OTHER ASSETS	30,036,884	14,908,523
<b>TOTAL ASSETS</b>	<b>825,673,698</b>	<b>668,168,215</b>
FUND COLLECTED	555,918,362	507,510,873
FUNDS BORROWED	148,445,588	73,027,347
FINANCE LEASE PAYABLES	1,335,094	883,385
SUBORDINATED LOANS	13,867,160	17,967,564
OTHER LIABILITIES	33,914,851	20,793,358
EQUITY	72,192,643	47,985,688
<b>TOTAL LIABILITIES</b>	<b>825,673,698</b>	<b>668,168,215</b>

<b>UNCONSOLIDATED STATEMENT OF INCOME</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
PROFIT SHARE INCOME	94,594,167	40,552,252
PROFIT SHARE EXPENSE	59,147,391	16,806,732
NET PROFIT SHARE INCOME/EXPENSE	35,446,776	23,745,520
NET FEES AND COMMISSION INCOME/EXPENSE	6,126,151	1,980,614
PERSONNEL EXPENSES	8,413,125	4,074,954
DIVIDEND INCOME	3,630	1,311
NET TRADING PROFIT / LOSS (Net)	3,483,526	8,519,892
OTHER OPERATING INCOME	8,000,521	1,781,591
EXPECTED CREDIT LOSS (-)	3,909,459	5,606,040
OTHER PROVISION EXPENSES (-)	1,269,188	439,348
OTHER OPERATING EXPENSES (-)	7,301,235	3,589,843
PROFIT/ LOSS BEFORE TAX	32,167,597	22,318,743
TAX CHARGE (-)	7,761,726	5,221,573
<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>24,405,871</b>	<b>17,097,170</b>

<b>RATIOS</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Total Loans/Total Assets*	51.16%	%50.18
Total Loans/Fund Collected*	75.99%	%66.07
Average Equity Profit **	54.15%	%69.39
Average Assets Profit **	4.36%	%5.05
Capital Adequacy Ratio	21.27%	%25.27

\* Finance Lease Receivables is included in total loans.

\*\* Related ratios calculated by included in interim periods' profit amounts to year-end balances.

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**1.3 Message from the Chairman**

Dear Shareholders,

As of 2024, developments in the global economy continue to be shaped by different dynamics in various regions. The OECD's September report, which revised its global growth forecast from 3.1% to 3.2%, is a positive indicator for growth worldwide. However, commodity price fluctuations and geopolitical risks stand out as the main risks to global economic recovery.

There are important signals that inflationary pressures are beginning to ease in the US economy. Although annual inflation fell to 2.4% in September, the lowest level in the last *few* years, it was announced above expectations of 2.3%. The fact that PPI data also came in above expectations has reduced expectations for a 50 basis point interest rate cut expected to be announced at the Fed meeting in November to 25 basis points.

The European Central Bank (ECB) continues to cut interest rates, which it started in June 2024, due to economic weakness and declining inflation in the Eurozone. The ECB continues to take steps to support economic growth by reducing the refinancing interest rate from 4.25% to 3.65% at its meeting in September. The 10 basis point decrease in the 2024 and 2025 growth forecasts reveals the need to continue dovish policies.

When looking at Asian economies, it is observed that China in particular has increased its incentive policies in line with its 5% growth target. The People's Bank of China announced a comprehensive incentive package in September to overcome the weakness in domestic demand and the problems in the real estate sector. In addition, similar steps are being taken to support growth in other developing economies in the region. The contributions of China and other Asian countries to global growth will be closely monitored in the coming period.

In the Turkish economy, we observe that the balancing process in macroeconomic indicators continues as of 2024. The fact that annual inflation has decreased to 49.38% as of September indicates that the downward trend in inflation continues. The fact that inflation expectations have also decreased in the same period indicates that this trend will continue. The decrease in the unemployment rate, the narrowing of the current account deficit and the rating increases of international credit rating agencies in the same period show that economic policies are being implemented effectively and yield successful results.

As one of the leading representatives of the banking sector and a pioneering institution in the participation finance sector, Kuveyt Türk continues to support the real economy in line with sound banking principles. Our bank continued to make significant contributions to the participation finance sector in the third quarter and increased its net profit by 43% compared to the same period of the previous year, reaching TL 24.4 billion. Compared to 2023, Kuveyt Türk's Total funding base (collected funds and non-deposit resources) increased by 21.3% to TL 704.4 billion, while the amount of funds provided increased by 26% to TL 422.4 billion. In addition, the bank increased its equity to TL 72.2 billion and its asset size to TL 825.6 billion, consolidating its leadership in asset size among participation finance institutions and maintaining its 10th place in the banking sector.

We believe that our bank will continue to have a strong presence in the sector in the coming period with its solid technological infrastructure and expert, collaborative team. I would like to sincerely thank all our team members who played an important role in these achievements and our valuable stakeholders who always trust us.

Regards,

HAMAD ABDULMOHSEN AL MARZOUQ

Head of the BOD

Kuveyt Türk Katılım Bankası

**KUVEYT TÜRK KATILIM BANKASI ANONİM ŞİRKETİ**  
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*(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

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**1.4 Message from the General Manager**

Dear Shareholders,

In the first three quarters of 2024, despite geopolitical challenges, developments in the global economy have shown the positive effects of steps aimed at ensuring stability. The recovery of global trade and investments indicates that the world economy is getting closer to a soft landing scenario. The Turkish economy has also been affected by this global normalization, and signals of a balancing in economic activity have been received throughout the year.

Although inflationary pressures have decreased, the CPI increased by 2.97% on a monthly basis in September, above market expectations, and annual CPI inflation decreased to 49.38% as of September 2024. At the end of the year, it is expected to converge to the 41.5% inflation target within the framework of the Medium Term Program. However, despite the contraction in industrial production and difficult market conditions, important steps continue to be taken towards recovery in the Turkish economy. The Central Bank once again emphasized its determination to maintain economic balances in its September meeting notes. In addition, according to the OVP updated in September, the Turkish economy is expected to grow by 3.5% by the end of 2024. As of the period we left behind, the improvement in the current account balance, the decline in unemployment rates, and the rating increases of international credit rating agencies are among the positive Other indicators for our country.

As Kuveyt Turk, we aim to further advance our strong position in the participation finance sector with our sense of responsibility in contributing to the economic goals of our country, our customer-focused approach and our diversified financial solutions. While providing our customers with an uninterrupted experience with our technological infrastructure and innovative services, we will continue to support the real economy.

We will continue to work with the same determination in the coming period to achieve our sustainable profitability target with our prudent banking approach, high liquidity and asset quality, and continue to contribute to the growth of the participation finance sector.

Regards,

UFUK UYAN

General Manager

Kuveyt Türk Katılım Bankası

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**1.5 Financial Position, Performance and Assessment of the Prospects for the Future**

As of 30 September 2024, unconsolidated financial statements asset size is TL 825 billion 674 million, amount of the utilization of funds is TL 422 billion 440 million and funds collected amount is TL 555 billion 918 million. With the effect of the profit of TL 24 billion 406 million obtained in the first nine months of 2024, our equity increased by 50.45% and reached TL 72 billion 193 million. Our unconsolidated capital adequacy ratio was 21.27% as of 30 September 2024.

The expectations for growth and profitability will continue in the development line.

**1.6 Announcement Regarding Important Developments within 3 Months**

The Bank issued sukuk with a total nominal value of TL 10 billion 500 million, with a minimum cost of 41.42% and a maximum cost of 45.37% in different maturity periods through fifteen separate transactions through KT Kira Sertifikaları Varlık Kiralama A.Ş.

**1.7 Assessment of the Expectations Related to the Subsequent Interim Period**

The slowdown in domestic demand indicates that economic activity will progress more moderately. The growth recorded in the first half of the year followed a more balanced course in the third quarter, and the impact of monetary policies began to be felt more clearly with the downward trend in inflation. For these reasons, growth is expected to be around 3.5% in line with expectations. In addition, with the September inflation figures being announced above expectations, there is also the possibility that the interest rate cuts expected to come in the last quarter of 2024 will be postponed to 2025. After credit card installment restrictions and regulations on credit growth, possible regulations on credit card limits indicate that steps to balance domestic demand will continue.